

Brezhnev Telegram Endorses Results of Poland's Congress

Washington Post Service
MOSCOW — Soviet President Leonid I. Brezhnev on Tuesday night endorsed the results of the Polish Communist Party congress and expressed the belief that the Polish party was "undoubtedly capable" to mobilize forces against "anarchy and counterrevolution threatening Poland."

He said the congress has "set the task of stabilizing" the situation in Poland and taking it out of the crisis.

The Polish party, "as the leading force of Polish society, firmly following the principles of Marxism-Leninism, is undoubtedly capable of rallying all working people and mobilizing them for a resolute rebuff to anarchy and counterrevolution."

In a telegram also signed by Premier Nikolai A. Tikhonov and distributed by Tass, the endorsement of the congress program was cou-

pled with the warning that Poland was in "a complex political situation," and that domestic and foreign anti-Socialist forces are continuing their subtle attacks on the foundations of the Polish state" as well as "provoking complications in Poland's relations with its true friends."

The telegram was addressed to "the Polish leaders" and it came after the Soviet press earlier Tuesday published reports about the Polish congress that generally put a better face on what the Russians see as the yet unclear course of developments in Poland.

The Soviet leaders message, on the anniversary of the founding of the Polish republic, appeared designed to encourage the new Polish leadership to seize what is seen here as a fresh opening for the Polish party to restore its authority in the country.

The tone of press dispatches and broadcasts, coming after almost 10 days of silence about the congress, appeared to reflect the basic compromise struck between Moscow and Warsaw.

The Polish leaders were quoted as length pledging allegiance to the Warsaw Pact and the Soviet Union. Soviet comments in turn said the congress has preserved the "ideals" of Marxism-Leninism while taking into account "the existing conditions" in Poland.

Talks Held to Avert Strikes

WARSAW (Reuters) — The Polish government held talks with representatives of the national airline LOT and with dock workers Tuesday in an attempt to avert threatened strikes this week, union officials said.

LOT employees Tuesday night agreed to suspend a strike threatened for Friday, a union spokesman said.

The talks in Warsaw on the dispute over the appointment by LOT of employees of a general manager whom the government refuses to recognize centered on a possible compromise formula, they said.

The government argues that it must have the final say in who is appointed manager of LOT because the airline is part of the defense establishment.

But there is more to the dispute than the military argument because government recognition of the chief appointed by the workers' council at LOT would set a precedent for every other major state enterprise.

Under terms of the compromise being discussed Tuesday, the LOT worker council and government representatives would share power on a supervisory board, the union officials said.

Officials of Solidarity said a government team also was negotiating Tuesday in Szczecin with dock workers who have threatened to strike Thursday. The dock workers are demanding a new charter that guarantees improved pay and working conditions, which the government says it cannot afford.

The dock workers and LOT employees have already staged strikes to back their demands, but they came under strong pressure to desist from further strikes at the party congress that closed Monday.

Debt Meeting Set

ZURICH (Reuters) — A 19-bank task force will begin meeting Wednesday in an attempt to reach an agreement rescheduling Poland's 1981 debts to Western banks. Poland, facing major economic troubles and acutely short of foreign exchange, has indicated impatience recently over the slow pace of negotiations with the banks.

COMING IN SEPTEMBER

Communications Technology

a special supplement by the International Herald Tribune

For advertising information contact:

Mandy Lawther
International Herald Tribune
181 Avenue Charles-de-Gaulle
92521 Neuilly Cedex
France
Tel: 747 12 65. Telex: 613 595.

or your local IHT representative.

INTERNATIONAL Herald Tribune
Published with The New York Times and The Washington Post



A section of the Camden power station after it was sabotaged in South Africa.

Power Station Bombings Cut Electricity in S. Africa

United Press International

JOHANNESBURG — Guerrillas believed to be black nationalists struck at electricity supply substations in the eastern Transvaal province Tuesday, setting off two explosions that cut power to large areas of the country, a police spokesman said.

The Polish leaders were quoted as length pledging allegiance to the Warsaw Pact and the Soviet Union. Soviet comments in turn said the congress has preserved the "ideals" of Marxism-Leninism while taking into account "the existing conditions" in Poland.

Man Said No One Was Injured in Either Blast.

The spokesman said that the blasts at the Camden and the Arnott power stations were caused by Communist-manufactured limpet mines — electrically timed magnet mines. He blamed guerrillas of the out-

man said. No one was injured in either blast.

The spokesman said that the blasts at the Camden and the Arnott power stations were caused by Communist-manufactured limpet mines — electrically timed magnet mines. He blamed guerrillas of the out-

lawed African National Congress for the acts of sabotage. Since January, the ANC has set off eight bombs in various parts of the country.

The police spokesman said that several other limpet mines were found unexploded at both sites and defused.

Life Imprisonment Demanded for Agca, Who Refuses to Attend 2d Day of Trial

By Henry Tanner
New York Times Service

ROME — The public prosecutor demanded on Tuesday the mandatory life sentence for Mehmet Ali Agca for attempting to kill Pope John Paul II and wounding two American pilgrims, Ann Odore and Rose Hall.

Calling Mr. Agca the "son of modern-day terrorism, that sinister affliction of our time," Nicolo Amato, the prosecutor, said: "We have looked into the heart of Mehmet Ali Agca for a small sign, an infinitesimal sign of repentance, an infinitesimal sign of humanity but we couldn't find it."

He asked that the defendant be sentenced to 12 additional years for illegal possession of arms and carrying false identity papers, and he suggested that these 12 years be converted to 12 months in solitary confinement.

No Death Sentence

Under Italian law a person serving a life sentence remains in prison on his entire life with no possibility of early release. Italy does not have a death sentence. Life imprisonment is mandatory for attempting to kill the president or a foreign head of state.

Mr. Agca was not in court Tuesday. At the beginning of the session the presiding judge, Severino Pantapicchia, read a note from the defendant saying "I do not come to the court, in protest," in English.

On Monday, on the first day of the trial, Mr. Agca, had told the court that he was on Vatican territory when he shot the pope and that the Italian court, therefore, did not have the right to try him. "The trial is over, thank you," he said, adding that he would not participate in the proceedings.

His court-appointed defense lawyer, Pietro d'Onofrio, also contested the competence of the court but was overruled by the judge. The defense will state its case

Wednesday, and the six-member jury will pass judgment immediately afterward.

Mr. Amato, the prosecutor, raised the possibility that Mr. Agca could have been part of an international plot but he said that the Italian authorities had not

Italy Financier Fined \$13 Million in Milan

The Associated Press

MILAN — A Milan court has convicted one of Italy's leading financiers of illegal currency exporting and fined him 16.5 billion (513.2 million) lire.

Roberto Calvi, chairman of Banco Ambrosiano, also was sentenced Monday to four years in jail but the court immediately granted him provisional liberty.

Mr. Calvi, 60, was an associate of Italian financier Michele Sindona, who is now serving a 25-year jail sentence in New York for bank fraud.

No Death Sentence

Under Italian law a person serving a life sentence remains in prison on his entire life with no possibility of early release. Italy does not have a death sentence. Life imprisonment is mandatory for attempting to kill the president or a foreign head of state.

Mr. Agca was not in court Tuesday. At the beginning of the session the presiding judge, Severino Pantapicchia, read a note from the defendant saying "I do not come to the court, in protest," in English.

On Monday, on the first day of the trial, Mr. Agca, had told the court that he was on Vatican territory when he shot the pope and that the Italian court, therefore, did not have the right to try him. "The trial is over, thank you," he said, adding that he would not participate in the proceedings.

His court-appointed defense lawyer, Pietro d'Onofrio, also contested the competence of the court but was overruled by the judge. The defense will state its case

Wednesday, and the six-member jury will pass judgment immediately afterward.

Mr. Amato, the prosecutor, raised the possibility that Mr. Agca could have been part of an international plot but he said that the Italian authorities had not

Italy Financier Fined \$13 Million in Milan

The Associated Press

MILAN — A Milan court has convicted one of Italy's leading financiers of illegal currency exporting and fined him 16.5 billion (513.2 million) lire.

Roberto Calvi, chairman of Banco Ambrosiano, also was sentenced Monday to four years in jail but the court immediately granted him provisional liberty.

Mr. Calvi, 60, was an associate of Italian financier Michele Sindona, who is now serving a 25-year jail sentence in New York for bank fraud.

No Death Sentence

Under Italian law a person serving a life sentence remains in prison on his entire life with no possibility of early release. Italy does not have a death sentence. Life imprisonment is mandatory for attempting to kill the president or a foreign head of state.

Mr. Agca was not in court Tuesday. At the beginning of the session the presiding judge, Severino Pantapicchia, read a note from the defendant saying "I do not come to the court, in protest," in English.

On Monday, on the first day of the trial, Mr. Agca, had told the court that he was on Vatican territory when he shot the pope and that the Italian court, therefore, did not have the right to try him. "The trial is over, thank you," he said, adding that he would not participate in the proceedings.

His court-appointed defense lawyer, Pietro d'Onofrio, also contested the competence of the court but was overruled by the judge. The defense will state its case

Wednesday, and the six-member jury will pass judgment immediately afterward.

Mr. Amato, the prosecutor, raised the possibility that Mr. Agca could have been part of an international plot but he said that the Italian authorities had not

Italy Financier Fined \$13 Million in Milan

The Associated Press

MILAN — A Milan court has convicted one of Italy's leading financiers of illegal currency exporting and fined him 16.5 billion (513.2 million) lire.

Roberto Calvi, chairman of Banco Ambrosiano, also was sentenced Monday to four years in jail but the court immediately granted him provisional liberty.

Mr. Calvi, 60, was an associate of Italian financier Michele Sindona, who is now serving a 25-year jail sentence in New York for bank fraud.

No Death Sentence

Under Italian law a person serving a life sentence remains in prison on his entire life with no possibility of early release. Italy does not have a death sentence. Life imprisonment is mandatory for attempting to kill the president or a foreign head of state.

Mr. Agca was not in court Tuesday. At the beginning of the session the presiding judge, Severino Pantapicchia, read a note from the defendant saying "I do not come to the court, in protest," in English.

On Monday, on the first day of the trial, Mr. Agca, had told the court that he was on Vatican territory when he shot the pope and that the Italian court, therefore, did not have the right to try him. "The trial is over, thank you," he said, adding that he would not participate in the proceedings.

His court-appointed defense lawyer, Pietro d'Onofrio, also contested the competence of the court but was overruled by the judge. The defense will state its case

Wednesday, and the six-member jury will pass judgment immediately afterward.

Mr. Amato, the prosecutor, raised the possibility that Mr. Agca could have been part of an international plot but he said that the Italian authorities had not

Italy Financier Fined \$13 Million in Milan

The Associated Press

MILAN — A Milan court has convicted one of Italy's leading financiers of illegal currency exporting and fined him 16.5 billion (513.2 million) lire.

Roberto Calvi, chairman of Banco Ambrosiano, also was sentenced Monday to four years in jail but the court immediately granted him provisional liberty.

Mr. Calvi, 60, was an associate of Italian financier Michele Sindona, who is now serving a 25-year jail sentence in New York for bank fraud.

No Death Sentence

Under Italian law a person serving a life sentence remains in prison on his entire life with no possibility of early release. Italy does not have a death sentence. Life imprisonment is mandatory for attempting to kill the president or a foreign head of state.

Mr. Agca was not in court Tuesday. At the beginning of the session the presiding judge, Severino Pantapicchia, read a note from the defendant saying "I do not come to the court, in protest," in English.

On Monday, on the first day of the trial, Mr. Agca, had told the court that he was on Vatican territory when he shot the pope and that the Italian court, therefore, did not have the right to try him. "The trial is over, thank you," he said, adding that he would not participate in the proceedings.

His court-appointed defense lawyer, Pietro d'Onofrio, also contested the competence of the court but was overruled by the judge. The defense will state its case

Wednesday, and the six-member jury will pass judgment immediately afterward.

Mr. Amato, the prosecutor, raised the possibility that Mr. Agca could have been part of an international plot but he said that the Italian authorities had not

Italy Financier Fined \$13 Million in Milan

The Associated Press

MILAN — A Milan court has convicted one of Italy's leading financiers of illegal currency exporting and fined him 16.5 billion (513.2 million) lire.

Roberto Calvi, chairman of Banco Ambrosiano, also was sentenced Monday to four years in jail but the court immediately granted him provisional liberty.

Mr. Calvi, 60, was an associate of Italian financier Michele Sindona, who is now serving a 25-year jail sentence in New York for bank fraud.

No Death Sentence

Under Italian law a person serving a life sentence remains in prison on his entire life with no possibility of early release. Italy does not have a death sentence. Life imprisonment is mandatory for attempting to kill the president or a foreign head of state.

Mr. Agca was not in court Tuesday. At the beginning of the session the presiding judge, Severino Pantapicchia, read a note from the defendant saying "I do not come to the court, in protest," in English.

On Monday, on the first day of the trial, Mr. Agca, had told the court that he was on Vatican territory when he shot the pope and that the Italian court, therefore, did not have the right to try him. "The trial is over, thank you," he said, adding that he would not participate in the proceedings.

His court-appointed defense lawyer, Pietro d'Onofrio, also contested the competence of the court but was overruled by the judge. The defense will state its case

Wednesday, and the six-member jury will pass judgment immediately afterward.

Mr. Amato, the prosecutor, raised the possibility that Mr. Agca could have been part of an international plot but he said that the Italian authorities had not

Italy Financier Fined \$13 Million in Milan

The Associated Press

MILAN — A Milan court has convicted one of Italy's leading financiers of illegal currency exporting and fined him 16.5 billion (513.2 million) lire.

Roberto Calvi, chairman of Banco Ambrosiano, also was sentenced Monday to four years in jail but the court immediately granted him provisional liberty.

Mr. Calvi, 60, was an associate of Italian financier Michele Sindona, who is now serving a 25-year jail sentence in New York for bank fraud.

N.Y. Becoming a Center for Weapons Traffic

Probe of Helicopter Gunship Conspiracies Spotlighted City's Role

By Schuyler Raab
New York Times Service

NEW YORK — A five-month Customs Service investigation into illegal conspiracies to smuggle helicopter gunships to South Africa has brought growing law-enforcement attention to weapons trafficking in New York.

The main elements in the undercover federal investigation were seven helicopters, two fake South African intelligence officers, an informant who knew suspected arms dealers — and the bait of \$2 million for smuggling the helicopters into South Africa. The inquiry ended earlier this year with the convictions of three men on U.S. and state criminal charges of conspiracy.

U.S. law-enforcement officials say the inquiry demonstrated how New York has become a center of illegal trafficking in weapons and military equipment, mainly because of the city's strategic location for international shipment of cargo by air and sea.

Although the Customs Service investigation began as one case, it soon blossomed into two other conspiracies. And three other investigations — involving arms deals to South Africa and to rebels opposing South Africa in South-West Africa (Namibia) — were aborted when other weapons traders became suspicious of the government's undercover informant.

Discussing the growing arms traffic in the New York area, John S. Martin Jr., the U.S. attorney for the southern district of the state, said, "The strict federal laws controlling the export of military equipment are increasing the temptation for people to try to profit from the law by violating it." Mr. Martin's office prosecuted the three defendants.

Use of Informants

The investigation also illustrated the widespread practice by law-enforcement agencies of using informants to seek out suspected criminals and then having undercover agents offer to pay them for unlawful acts. In this instance, two Customs Service agents posed as South African representatives who offered more than \$2 million for the illegal shipment of military helicopters from the country.

Officials in the U.S. attorney's office and the Customs Service said there was no illegal entrainment in the helicopter cases, and all defendants pleaded guilty.

Details of the three cases were obtained from court documents and in interviews with Customs Service agents and the informant who was instrumental in locating the alleged

arms dealers. The informant, who said disclosure of his identity would jeopardize his life and employment opportunities, agreed to be interviewed only if his name was withheld.

In the spring of 1980, the informant began working mainly with two Customs Service agents, Joseph F. King and Edward C. Romeo. The informant said the first federal case developed from information given him by an illicit arms dealer in the city that Sky Control Inc., an aviation sales company in Sun Valley, Calif., had surplus military helicopters for sale.

The informant told the owner of Sky Control, Jack Holiday, that South African government representatives were in New York, seeking to buy military helicopters. Congress banned the sale of military equipment, including helicopters that can be converted into gunships, to South Africa in 1963 because of that country's racial policies.

New York Meeting

On Sept. 19, 1980, Mr. Holiday arrived for a meeting at 1 World Trade Center with the informant, who described himself as a lawyer for South African intelligence officers secretly in the United States to purchase military supplies, and Mr. King of the Customs Service, who masqueraded as a South African officer.

The customs agent and the informant, in separate interviews, said Mr. Holiday agreed to sell seven unarmed Augusta Bell UH-1 helicopters — which can be equipped with guns — and spare parts for \$2.2 million. Mr. King said Sky Control had bought the helicopters for \$150,000 in 1976 after they had been used by the Netherlands military forces.

Mr. King said he emphasized that Mr. Holiday would have to ship the helicopters to South Africa in violation of the U.S. arms-control law. Shippers of military equipment must obtain a State Department export permit specifying that the equipment is not going to a prohibited country.

The meeting and later telephone conversations with Mr. Holiday were secretly tape-recorded. Based on these discussions, the U.S. attorney's office accused Mr. Holiday of conspiracy to arrange "a false or cover" sales agreement.

The Customs Service confiscated the helicopters in California in December, 1980, and in April and May of this year criminal accusations were filed against Mr. Holiday's company in federal court and against him in state court.

Mr. Holiday pleaded guilty, on behalf of the

company, to charges of conspiracy to violate export-control laws. He is to be sentenced Wednesday in Federal Court in Manhattan. His company reportedly faces a minimum Customs Service administrative fine of \$100,000. He also pleaded guilty in state court to a misdemeanor count of conspiracy and was given a conditional discharge, or a suspended sentence.

Meanwhile, the Customs agents were introduced by the informant to two other persons whom he described as illegal weapons traffickers.

On Sept. 23, one of the suspects, Gideon Schiff, met with the informant and Mr. King at the World Trade Center. Mr. Schiff, 44, lives in Toronto and holds Canadian and Israeli citizenship.

Again, Mr. King identified himself as a South African intelligence officer. He said he had seven helicopters stored in California which he wanted transported illegally to South Africa.

Mr. King, in court papers, said Mr. Schiff agreed to smuggle the helicopters to South Africa for \$500,000. On Dec. 19, Mr. Schiff met Mr. King, who carried a hidden tape recorder, in the lobby of 1 World Trade Center to transfer a \$250,000 downpayment. "Are you sure you can get the helicopters there, even though it's illegal?" Mr. King recalled asking Mr. Schiff.

"Done It Before"

"Sure, don't worry," he quoted Mr. Schiff as having replied. "I've done it before."

Mr. Schiff was then arrested. He pleaded guilty in federal court in Manhattan to conspiracy to violate the export-control laws, and on May 1 he was placed on probation for one year.

The third defendant in the investigation was Omar Aly Khan, 64, an engineer who was born in India and holds British citizenship. Mr. Khan lives in London and maintains a New York apartment.

Last autumn, the informant, again representing himself as a lawyer for South African military supplies purchasers, introduced Mr. Khan to the agents. At meetings in two New York hotels, Mr. King said Mr. Khan agreed to arrange the shipment of the helicopters from Los Angeles to South Africa for \$2 million.

Mr. Khan was arrested Dec. 17 on receiving a \$5,000 payment from Mr. King. He pleaded guilty to charges of conspiracy to violate the control-of-arms laws and was sentenced in April to four years probation.

ing the budget conference and reversing the actions of a majority of both houses of the Congress, and thus would jeopardize economic recovery.

1935 Provision

Specifically at issue in the House vote is a provision Congress wrote into the original Social Security Act in 1935 that no one eligible to draw retirement benefits would receive less than \$10 a month. Over the intervening years, Congress increased that figure to \$122. Under present law, anyone who works 40 quarters can draw that on retirement, no matter how low his or her past contributions.

The White House calls the minimum figure an unearned benefit and welfare because it is not based on wages and working history. The White House figures that cutting these benefit checks will save about \$7 billion over the next five years. It also says that other benefit programs will take care of those who need the minimum payment.

Both the Senate and House

agreed that the minimum benefit should be abolished for those retiring in the future. The Senate then voted to remove the floor immediately. The House in April, 1982. Those proposals are now before a conference of 72 senators and 183 representatives assigned to produce a compromise budget bill.

In an analysis made public over

the weekend, the Office of Management and Budget said that 10 percent, or about 300,000, of the 3 million now receiving the minimum benefit would be seriously affected, and these, it said, were already guaranteed the equivalent of about \$10,000 a year per couple from other federal programs — supplemental income, food stamps and Medicaid.

The White House budget agency reported that 1.2 million minimum beneficiaries would continue to get the same checks because they involve couples with two eligible members, 300,000 could make up the loss through supplemental income benefits. 200,000 were students or children and 800,000 enjoyed comfortable outside incomes from other pensions or working spouses.

By agreement, House-Senate

conference working out differences in the two budget bills are not to drop features in both bills.

Meanwhile, Rep. Charles E.

Bennett, a Democrat from Florida, was introducing separate legislation Tuesday to continue the minimum benefit for those now eligible and those who apply over the next three years, paying for it from general government revenues.

Mr. Kabua, who expressed anger over what he said were delays in the Reagan administration's review of the plan, said that he would visit Washington next week and take up the matter with officials there. He described the trip, which he said was at the invitation of Secretary of Defense Caspar W. Weinberger, as his "first state visit" to the United States as the elected president of the Marshall Islands.

"We have reached the point of no return," Mr. Kabua said of the situation in an interview at Majuro International Airport after a visit to Japan as a guest of the Japanese government. Japan has shown a keen interest in its former Pacific empire. The Japanese seized the Marshall Islands in 1914 from Germany, which had bought them from Spain at the turn of the century.

Real Sovereignty

If the Reagan administration re-pudiated the Carter-backed plan, he said, the Marshalls will insist on the "real sovereignty" of an independent nation. "Full independence is the only way to go," he said.

In constitutions adopted during

the last two years, the Marshalls

and two other Pacific island groups, Palau and a part of the sprawling Caroline archipelago

known as the Federated States of Micronesia, declared themselves

republics under a formula for internal self-government approved by the Carter administration. A fourth group, the Northern Marianas, voted in 1976 to become a commonwealth of the United States, like Puerto Rico.

The manner of Mr. Kabua's return to Majuro from Japan highlighted another aspect of the deteriorating relations between the Marshalls and the United States. There was no one on hand to greet him at the airport, a lapse in protocol that the 52-year-old president, who is also a revered traditional chief, attributed to U.S. foot-dragging in upgrading the primitive communications in the Marshalls and other islands of the trust territory.

Three separate messages giving

the president's time of arrival had not been delivered on Majuro when his plane arrived, according to the Marshall Islands' secretary for foreign affairs, Anton de Brum, who accompanied Kabua to Japan.

U.S. Dross Suit Against Police

United Press International

WASHINGTON — The Justice Department has dropped its 1979

lawsuit against the Philadelphia

police department and former

Mayor Frank L. Rizzo on charges

of condoning police brutality, it was disclosed this week.

The government decided not to

appeal a U.S. appellate court ruling that last year upheld a lower court's decision to throw out the case. The Justice Department had until Saturday to file an appeal with the Supreme Court but let the deadline pass without taking action.

The government filed suit on

Aug. 13, 1979, charging the city

and Mr. Rizzo with systematically

condoning police brutality ranging

from shootings to beatings. The

suit was the first of its kind against a police department.

Crewmen on the British-registered ship the Gem sprayed the dinghies with high pressure water hoses, a Greenpeace spokesman said. There were no casualties.

U.S. Atom Opponents Try to Stop Dumping

United Press International

BOSTON — Anti-nuclear activists in two rubber dinghies tried to prevent the operations of a 1,600-

ton ship dumping radioactive waste in the North Atlantic, a spokesman for the environmental organization Greenpeace said Tuesday.

Crewmen on the British-registered

ship the Gem sprayed the

dinghies with high pressure water

hoses, a Greenpeace spokesman said. There were no casualties.



PASSAU, NOT VENICE — West German military engineers conveyed residents of Passau through the flooded streets of their town after heavy rain caused the Danube to overflow.

Kansas City, Subdued by Hotel Tragedy, Expects to Rebound and Keep Growing

By Reginald Stuart
New York Times Service

KANSAS CITY, Mo. — When the 40-story Hyatt Regency Hotel opened here a year ago, the event was another milestone in a master plan by the city's prestigious Hall family to put a new face on downtown Kansas City.

The Hall's ambitious Crown Center Complex, of which the hotel is a part, is widely viewed as the catalyst for several new construction and face-lifting projects started or completed in the last decade throughout the area, transforming the city into a bustling metropolis from a sleepy cow town.

Last autumn, the informant, again representing himself as a lawyer for South African military supplies purchasers, introduced Mr. Khan to the agents. At meetings in two New York hotels, Mr. King said Mr. Khan agreed to arrange the shipment of the helicopters from Los Angeles to South Africa for \$2 million.

Mr. Khan was arrested Dec. 17 on receiving a \$5,000 payment from Mr. King. He pleaded guilty to charges of conspiracy to violate the control-of-arms laws and was sentenced in April to four years probation.

ing the budget conference and reversing the actions of a majority of both houses of the Congress, and thus would jeopardize economic recovery.

1935 Provision

Specifically at issue in the House vote is a provision Congress wrote into the original Social Security Act in 1935 that no one eligible to draw retirement benefits would receive less than \$10 a month. Over the intervening years, Congress increased that figure to \$122. Under present law, anyone who works 40 quarters can draw that on retirement, no matter how low his or her past contributions.

The White House calls the minimum figure an unearned benefit and welfare because it is not based on wages and working history. The White House figures that cutting these benefit checks will save about \$7 billion over the next five years. It also says that other benefit programs will take care of those who need the minimum payment.

Both the Senate and House

agreed that the minimum benefit should be abolished for those retiring in the future. The Senate then voted to remove the floor immediately. The House in April, 1982. Those proposals are now before a conference of 72 senators and 183 representatives assigned to produce a compromise budget bill.

In an analysis made public over

the weekend, the Office of Management and Budget said that 10 percent, or about 300,000, of the 3 million now receiving the minimum benefit would be seriously affected, and these, it said, were already guaranteed the equivalent of about \$10,000 a year per couple from other federal programs — supplemental income, food stamps and Medicaid.

The White House budget agency reported that 1.2 million minimum beneficiaries would continue to get the same checks because they involve couples with two eligible members, 300,000 could make up the loss through supplemental income benefits. 200,000 were students or children and 800,000 enjoyed comfortable outside incomes from other pensions or working spouses.

By agreement, House-Senate

conference working out differences in the two budget bills are not to drop features in both bills.

Meanwhile, Rep. Charles E.

Bennett, a Democrat from Florida, was introducing separate legislation Tuesday to continue the minimum benefit for those now eligible and those who apply over the next three years, paying for it from general government revenues.

Mr. Kabua, who expressed anger over what he said were delays in the Reagan administration's review of the plan, said that he would visit Washington next week and take up the matter with officials there. He described the trip, which he said was at the invitation of Secretary of Defense Caspar W. Weinberger, as his "first state visit" to the United States as the elected president of the Marshall Islands.

"We have reached the point of no return," Mr. Kabua said of the situation in an interview at Majuro International Airport after a visit to Japan as a guest of the Japanese government. Japan has shown a keen interest in its former Pacific empire. The Japanese seized the Marshall Islands in 1914 from Germany, which had bought them from Spain at the turn of the century.

Real Sovereignty

If the Reagan administration re-pudiated the Carter-backed plan, he said, the Marshalls will insist on the "real sovereignty" of an independent nation. "Full independence is the only way to go," he said.

In constitutions adopted during

the last two years, the Marshalls

and two other Pacific island groups, Palau and a part of the sprawling Caroline archipelago

known as the Federated States of Micronesia, declared themselves

republics under a formula for internal self-government approved by the Carter administration. A fourth group, the Northern Marianas, voted in 1976 to become a commonwealth of the United States, like Puerto Rico.

The manner of Mr. Kabua's return to Majuro from Japan highlighted another aspect of the deteriorating relations between the Marshalls and the United States. There was no one on hand to greet him at the airport, a lapse in protocol that the 52-year-old president, who is also a revered traditional chief, attributed to U.S. foot-dragging in upgrading the primitive communications in the Marshalls and other islands of the trust territory.

Three separate messages giving

Six Months of Reagan

On Monday President Reagan completed his first six months in office. His administration thus far has shown these defining characteristics:

• It is very much the creature of its leader, a president who is relaxed, a delegator. He is comfortable in the job and not afraid of limiting his hourly, minutiae-bound involvement in it. And with this approach, paradoxically, he has strengthened his capacity to govern forcefully, to make things happen.

• It is reacting with vast energy and commitment and self-confidence to its own sense of mission and that of its basic constituents. This accounts for both its achievements and its shortcomings.

At the time of the president's election last November, there was in America a general consensus, much larger than that reflected in the actual Reagan vote, for correcting and reversing a lot of trends associated with Democratic liberalism and establishment dogma in both domestic and foreign affairs. The question is whether the administration, in responding to this mandate, is not in certain areas being as extravagant and doctrinaire and undiscriminating as were the perpetrators of all those various excesses it is trying to cure.

Mr. Reagan has shown himself as skilled at the politics of making a government perform as he was at the politics of getting elected. Witness the unexpected accomplishments of his ambitious plans for federal budget cuts. The president and David Stockman and company knew they had to move very fast, concentrate all attention on this issue, grease and/or contend with Congress where and as necessary, and let nothing take precedence over their early assault. It worked, at least insofar as budget cuts were made beyond anything previously thought possible. A negative result of this strategy has been that the preoccupation with the budget battle has either caused, or been used as a justification for, neglect of other business.

We will be frank with you: We couldn't be more pleased that some of this business has been neglected. On a variety of civil liberties, civil rights and so-called "social" issues (all political issues are social, even the ones that seem to be about geology), the administration has yet to get its act together or issue promised policy statements. We can wait. Congress and the Court are already doing plenty in this realm that strikes us as ranging from mischievous to miserable, and we do not have enormous faith in this administration as a prospective rescuer of the situation.

The general vacuum that has resulted from all the highly trained attention on the economic program has been filled or not filled, as you would expect, according to the caliber of the people doing other jobs. For example, although the administration's overall deregulation campaign has yet to be brought to fruition at Transportation, some practical, if difficult, decisions have been made, while at the Energy Department — and in fact in the whole field of energy policy or lack thereof — the indifference and inaction have been marked. Likewise, the president's concentration and that of his top aides on getting that economic package through must be accounted

ed one reason why within his national security group there has been such institutional dishevelment and noisy political discord.

But the concentration on that package is not just a cause (of certain other behavior). It is also an effect, a result, the end-product of a kind of zeal that has led the administration to override everything in its way. Some things deserved to be overridden. But others didn't, including certain values and commitments that a federal government and a decent society should preserve. And so, as it awaits the general benefits promised by a dubious economic theory, it has put at risk — by some of its welfare, Social Security and other federal domestic program cuts — the minimal well-being of persons who are already at the bottom of the economic heap. And when you combine this with the bias of the Reagan tax program toward the rich and the somewhat careless way in which the overhaul of certain policies affecting blacks is being approached, it takes on an aspect of coldness and indifference probably utterly at odds with what the president intends.

This all-or-nothing attitude is evident as well, of course, in the Interior Department and to some extent in the administration's attempt to reconstruct foreign and defense policy on some basis less wishy-washy and inconclusive than the basis it inherited. But the commitment, again, often seems to lack inner discriminations — on arms transfers and nuclear nonproliferation, for example. We are among those who believe that much of the administration's reaction and that of the public against prevailing national security nostrums was justified. But we often get the sense of being in the presence of an overreaction, a self-certainty and slavishness to doctrine that, whether in the human rights field or that of Third World dealings or arms control, could propel the government from sensible actions to reckless exercises in theoretical point-proving.

It will take much time to test out the validity of Mr. Reagan's foreign policy assumptions (especially concerning U.S.-Soviet relations) and of his economic bet. And it takes more than six months to tell how much of an administration's early conduct is here to stay for the whole four years. So everything is in doubt. And this is above all true of the big question: namely, whether this administration will be a four-year reaction — a fluke — impelling a wayward political establishment to correct its course, or whether it is the beginning of something solid and big.

But we will say two things with certainty.

One is that if the administration overreaches — as it now seems inclined to — in its attempt to counter the defects of the Democratic past, it will hand Jimmy Carter his best revenge.

The other is that this administration would be enormously improved by the existence of a strong and intelligent and coherent Democratic opposition. But that is nowhere to be seen, and it is one thing, even in a political culture that holds presidents accountable for everything from heavy rainfall to baseball losses, that can't be blamed on Ronald Reagan.

THE WASHINGTON POST.

Trust in Intelligence

The Reagan administration has two responses to a judge's finding that William Casey once violated the federal securities laws, years before he became director of central intelligence. The president says the lawsuit is "old news." Mr. Casey says any infraction was the fault of brokers and accountants he relied upon. Neither response is adequate.

Sure, everyone knew that some disgruntled investors were accusing Mr. Casey and others of exaggerating the soundness of a farming company for which they sought capital. But now a federal court finds the key charges true. That is new news.

As for Mr. Casey's claim of reliance on

others, that is precisely the argument a federal court has rejected. Yes, others prepared the circulars for potential investors, but Mr. Casey knew what they said — and what they didn't say about the company's less than fully operative farming units and heavily encumbered mortgages.

The issue here is not Mr. Casey's competence in intelligence but the administration's standard of responsibility. Directors, of intelligence or corporations, do not hide behind the misjudgments of subordinates. And presidents should not tumble to a subordinate's gloss of the record.

THE NEW YORK TIMES.

International Opinion

On American Effectiveness

There can be little doubt that Washington's economic policies will not only demand sacrifices from America's citizens but will also have consequences for Europe that we would prefer to do without. But it would be senseless to demand that President Reagan should change course, just when he has adopted policies that Europe had been urging on his predecessor for years. What Europe cannot do without is an America that is economically healthy and thus politically effective.

— From *Neue Zürcher Zeitung* (Zurich).

Ways to Deal With Begin

The world, and notably the United States, must act swiftly to arrange a cease-fire between Israel and the Palestinians. The decision to bomb Beirut, and the appalling death

and destruction which resulted, is a savage escalation of the fighting on the Israel-Lebanon frontier.

Mr. Begin, his election over, appears as incapable as ever of recognizing the risks he is taking with Israel's future, as well as that of the Middle East as a whole. He has the tunnel vision of a former terrorist, and tries to solve complex political issues by disproportionate military response to terrorism by Palestinians.

Terrorism must be stopped, but this is not the way. Mr. Habib's efforts at mediation deserve support. But if Mr. Begin's stubbornness does not respond to reason, President Reagan will have no alternative but to be more ruthless in cutting Israel's defense supplies. The savagery of such indiscriminate air bombardment is not tolerable.

— From *The Observer* (London).

In the International Edition

Seventy-Five Years Ago

July 22, 1906

NEW YORK — An editorial in the Herald reads: "Who says the automobile industry is not growing? There are 82,000 cars at present in use in the United States. New York leads with a registration of nearly 31,000 machines, New Jersey being second, Massachusetts third and Pennsylvania fourth. The horse is not going, but it cannot be denied that the automobile has come to stay." There has been so much ballooning recently in this city that what was regarded as a scientific experiment is now looked upon as a nuisance. The world asks "just why a balloonist should be allowed to drag away honest people's washing, rip up roofs, ruin gardens and obstruct traffic in the streets."

Fifty Years Ago

July 22, 1931

LONDON — The leaders of the Nationalist movement in Germany wired a message to Chancellor Brüning in London today, warning him that any obligations assumed by him in the conference there for credit to Germany would not be considered binding by the opposition. The telegram is signed, among others, by Adolf Hitler, the Fascist leader; Hugenberg, the Nationalist leader, and the Steel Helms chief. The message is really directed against the powers represented in London, to warn them that any engagements entered into by the German delegates will be repudiated by the Nationalists as soon as they come into power, which they are hoping to do by autumn.



Ireland, 1940:

The IRA, a Hunger Strike

On April 19, 1940, David Gray, the U.S. minister to Ireland, wrote the following letter to President Franklin D. Roosevelt:

I am in it up to the neck. For an hour this afternoon Count Plunkett and his wife and daughter-in-law besieged me in behalf of their son who is on the 35th day of his hunger strike. My line was: "Why doesn't your son live for his country? Why doesn't he take legal and constitutional means to win a majority to his viewpoint?" They kept insisting that the Irish Republic was the only legal government and that consequently the IRA was legal and they must be treated as prisoners of war or political prisoners.

I said to them, "What if we four were the government and another body proclaiming to be the true government hunger struck against us? Should we give in to it? If we did so, what would become of the authority of our government?" They said that De Valera government is not a true government. It does not represent a majority of the people. "Who does it represent?" I said. "The English," they answered ...

P.S.: We went in to the movie last night and were stopped by a long IRA procession escorting the body of the man who died after the hunger strike was broken. This was far more impressive and sinister than the one in the morning of the day before. There were at least three companies of 50 or 60 men each of IRA lads who marched as soldiers very smartly, though not in uniform and unarmed, and were determined-looking lads, not the bums of the other procession. There was a long halt and they all stood impassively in the rain. It was very grim, a dedication not to love of country but to hate of the established order, whatever that might be.

On May 8, Franklin D. Roosevelt replied to David Gray:

THANKS. The Lord, the hunger strike seems to be over. The continuation of hunger strikes and outrages of all kinds, IRA or otherwise, only hurts the cause of complete Irish independence in other nations.

These U.S. government documents are from the presidential papers at the Franklin D. Roosevelt Library at Hyde Park, N.Y. ©1981, The New York Times

The Herald Tribune appeared in Paris on April 21, 1940, with the following front-page report from Dublin:

The eight-week-old hunger strike staged by six Irish Republican Army prisoners as a protest against the De Valera government came to an end last night, but too late to save John McNeela. He died four hours after his comrades had agreed to call off the fast. He was the second victim ... [The men] went on strike as a protest against the government's refusal to treat them as political rather than criminal prisoners ... [The survivors, including John Plunkett, who took part in the Easter uprising of 1916,

Nonproliferation Policy Is 'More Vigorous,' Maybe

By Tom Wicker

NEW YORK — Two days after Secretary of State Haig said that the Reagan administration was "developing more vigorous policies for inhibiting nuclear proliferation," those policies turned out to include acquiescence in the development of breeder reactors, with which weapons-grade nuclear materials can be produced.

International controls to prevent such production will be required, but, according to many knowledgeable commentators on Israel's bombing of Iraq's reactor, such controls can be gotten around. And the best control would be to prevent the production of weapons-grade material.

Officials explaining the administration's approach said it would apply only to Europe and Japan and not at this time to countries elsewhere. It still is a step back from the Carter administration's opposition to breeder reactors, however, rather than a "more vigorous" anti-proliferation policy.

This doubt, so quickly cast by the White House on a major element of Haig's arms control statement, suggests that the speech may not achieve two purposes his aides said he had in mind: to reassure the Europeans that the administration is serious about theater nuclear negotiations, and to placate domestic liberals without alarming conservatives about its arms control intentions.

But even without the proliferation question, Haig's remarks might not have achieved those ends. He made a commitment of sorts to return someday to arms control talks with the Soviet Union, but the administration view he described seemed restrictive and subordinate to its other security policies; and this reluctant approach may well outweigh, in European eyes, his pledge to begin theater nuclear talks late this year.

The secretary said, for example, that arms control talks could not solve such security problems as the vulnerability of American land-based missiles "until we have the will and the capacity to limit deployment of multiple, independently targetable warheads in SALT-1" — at a time when the Russians had none — American land-based missiles probably would not be even theoretically "vulnerable" today. Had the United States been willing to ratify SALT-2, with its limit of ten such warheads per missile, any real threat to its arsenal would be lessened.

Arms control, Haig also said, should not "restrict the advance of technology." Why on earth not restrict some technology, like that of nuclear weapons and breeder reactors? A comprehensive nuclear test-ban treaty is available, if the will to enter into it were present in Washington and Moscow. After years of talks, agreement has been reached even on such thorny questions as on-site inspections and Soviet and U.S. seismic stations on each other's territory.

That particular restriction on the advance of technology would stop development of new nuclear weapons in its tracks — which may be why neither side is eager to complete the treaty.

Haig returned, too, to the familiar theme of "linkage" — the idea that arms control should be a reward to the Russians for good behavior, and that without good Soviet behavior, arms control is not possible. The Reagan administration, he said, would never accept the "appealing conclusion" that "in order to preserve arms control, we have to tolerate Soviet aggression."

This comes from an administration that lifted the grain embargo on the nation that invaded Afghanistan. The counter-argument, widely made in Europe, is that nuclear arms controls make bad Soviet behavior — as in Afghanistan — less dangerous, and provide a safer environment for East-West economic and political competition.

And whose land-based missiles are supposed to be vulnerable, anyway? If the Russians are so bent on aggression that they might attack ours, why should they act in such a way as to earn arms control as a reward?

And might not some forms of arms control, such as the real reductions in nuclear armaments Reagan has said he wants, make it worth tolerating some forms of Soviet aggression — say, the invasion of Afghanistan that we're already tolerating nicely?

©1981, The New York Times

The Seed That Pol Pot Sowed

By Richard Holbrooke

The writer served as assistant secretary of state for East Asian affairs in the Carter administration.

WASHINGTON — There was Secretary of State Haig last week, making his first United Nations appearance. What did he talk about? Vietnam and Cambodia.

Vietnam and its irredentist ambitions remain the great unresolved issue of East Asia, but there were differences aplenty between that scene in New York and the lineup that was so familiar in the past: Vietnam, not the United States, was now virtually isolated. America had no soldiers fighting on foreign soil; Vietnam, backed by the Soviet Union, had more than 200,000 troops in Cambodia.

Thailand, Indonesia, the Philippines, Malaysia and Singapore — who form the promising Association of Southeast Asian Nations (ASEAN) — were the leaders of the UN conference. China, not even a UN member until 1972, and always a strong supporter of Vietnam's wars against France and the United States, was now among Hanoi's most vocal critics.

It was the defeat and withdrawal of the United States in the mid-1970s that created the conditions for Washington's improved diplomatic position in East Asia. No longer does post-colonial rhetoric require calls, sincere or not, for U.S. withdrawal from Vietnam. No longer is it politically risky to be friendly to the United States. Within hours the United States, reminding

and water. As the world watched, several hundred thousand people crossed the border, collapsing in open fields. Many were dying. Malaria was everywhere. Despite the intense heat and the stench of death, the memory one took away from a visit was the silence, especially of the children, too weak even to cry.

Vietnam at that point could claim, with accuracy, that it had liberated most of Cambodia from Pol Pot. Clearly the people of Cambodia were better off for this imposed liberation. Yet the Vietnamese are not popular in Cambodia today. Centuries of racial and territorial rivalries between Vietnamese and Cambodians have not been forgotten, and to maintain their position in Cambodia against Khmer Rouge and other guerrilla elements often supported by outside assistance, the Vietnamese have had to keep more than 200,000 troops in Cambodia.

Pressure has built up on the border, and on several occasions fighting has lapsed over into Thailand, causing grave concern to the United States and Thailand's ASEAN neighbors. On June 23, 1980, a small battle broke out inside Thailand just as Secretary of State Edmund S. Muskie was flying on to Cambodia for meetings with Asian foreign ministers. Within

hours the United States, reminding

the world of its security commitments to Thailand, had airlifted 40,000 or more guerrillas, and constituted the largest and best organized (to say nothing of the most ruthless) of the forces opposing the Vietnamese presence in Cambodia. But no one with a shred of conscience or concern for American values and ideals could countenance U.S. actions, public or private, that would help these people. Although their supporters say the Khmer Rouge "made some mistakes" and have changed, support of the Khmer Rouge is still unacceptable for the United States.

What is there left for the people of Cambodia and for the entire region? The prognosis is bleak, lightened not at all by the UN conference, which Moscow and Hanoi boycotted.

The most popular man among most Cambodians, Prince Norodom Sihanouk, wanders from Peking to Pyongyang without a strategy but still personifying his nation to the rest of the world, as he has for more than 30 years. Neither the Chinese nor the Vietnamese trust him. Cambodian intellectuals despise him. They have never forgiven him for winning a World Court case over a disputed temple on the border, and yet there is no one else.

The other groups on the border, the so-called "third forces" of men such as Son Sann, are a motley crew with little hope of gaining power in Cambodia. They evoke memories of other long-lost third forces over which French and Americans have shed money, hope and sometimes blood since 1950.

Accepting the Vietnamese takeover of Cambodia is also out of the question for the nations of ASEAN, China, Japan and the West. To do so would be to accept a forcible change in the strategic balance in the region, and the Soviet Union, now building a naval foothold along the South China Sea littoral, would be the major beneficiary. It is for this reason that the United States voted for the Khmer Rouge claim to UN membership, although the vote was obviously a disastrous one.

But even Moscow seems to be preparing for the day when Cambodian-Vietnamese rivalries reach the breaking point. There is even



the reader may well ask: why should the whole area, with all its tragic memories for America, alone to stow in its own mess? The answer is at least two levels.

First, the global strategic balance requires for U.S. national security a stable equilibrium of power among the major states in

Lyudmila Zhivkova, Leader's Daughter, Is Dead in Bulgaria

From Agency Dispatches

SOFIA — Lyudmila Zhivkova, 28, daughter of Bulgaria President Todor Zhivkov, and considered the most influential person in the country after her father, has died, the state BTA news agency reported Tuesday.

The agency gave neither the date of her death nor what caused it except to say that it followed "a short illness." Bulgarian radio re-

OBITUARIES

ported her death for the first time on its noon newscast Tuesday.

Mrs. Zhivkova was a member of the Bulgarian Communist Party's ruling Politburo and chairman of the Committee for Culture. BTA said that her death "is a hard and lamented loss for the party and the People and for Bulgarian culture."

There had been no public word that Mrs. Zhivkova was ill. She appeared to be in good health when she visited Austria last month.

Managerial Skills

Mrs. Zhivkova, an ambitious, strong-willed woman noted for her managerial skills, owed much of her power to the influence she wielded on her father, Bulgaria's longtime Communist Party chief and head of state.

Her post as chairman of the Committee of Culture gave her broad powers in this pro-Soviet nation of 8.8 million people. She was considered the unofficial leader of Bulgaria's "new class" of young, well-educated, intellectuals and technicians who grew up under the Communist system.

Mrs. Zhivkova was born in the Bulgarian capital of Sofia on July 26, 1942. She studied history at Sofia State University and in 1970 enrolled at St. Anthony's College, Oxford, England, for a year of postgraduate research on British

policy in the Balkans before World War II. While in Britain, she lectured in Bulgarian history at Oxford and in London on the contribution of Bulgarians to European civilization.

Unofficial First Lady

Following the death of her mother in 1971, Mrs. Zhivkova assumed the unofficial role of Bulgaria's First Lady. She was elected to full membership in the party Central Committee in 1976. Three years later, she was elevated to the Politburo, the policy-making arm of the party. Last May, she was given supervisory responsibility within the Politburo for all state education.

She was widely respected within Bulgaria for her promotion of arts and culture and for her close links to the country's artistic community. Under her tutelage, the regime gradually abandoned the dogmatic approach to arts that affected culture here during the 1950s and 1960s.

Despite her prominence, little was known of her personal life. She was married to Ivan Slavov, 41, director-general of Bulgarian Television. She had two children, a daughter, Zheni, and a son, Todor.

Arthur K. Train

NEW YORK (NYT) — Arthur K. Train, 79, author of "Spoken Like a Frenchman," a guide to French sayings, died Sunday of heart failure. Mr. Train also translated from the French "Fire From Heaven," a novel about Giles de Rais and 15th-century France.

Roxane Kamenstein

NEW YORK (NYT) — Fashion designer Roxane Kamenstein, 72, died Saturday. She was the author of "The Secret of Couture Sewing" and "Sew Like a Pro."

Convict-Author Is Sought In Killing of N.Y. Waiter

By Joyce Wadler
Washington Post Service

NEW YORK — A convict whose book on prison life was reviewed well last month, and who was championed while in prison by Norman Mailer, is being sought by police here for questioning in the stabbing death of a Manhattan waiter.

Jack Henry Abbott, the object of the police search, is the author of "In the Belly of the Beast: Letters From Prison."

Police said that a man had been sitting at a table in the restaurant with two women when he got into an argument with waiter-manager Richard Adam at about 5:30 a.m. Saturday. The men stepped outside to continue the argument. Sometime later, Mr. Adam, 22, was fatally stabbed in the chest and the man fled.

The argument, according to De-

Cooke Says Titan-2 Case Deal Abused

By Charles R. Babcock
Washington Post Service

WASHINGTON — The Air Force Titan-2 missile officer under investigation for allegedly passing defense information to the Russians has charged the chief of the Strategic Air Command with trying to cover up apparent flaws in the immunity agreement that is a key part of the case.

Capt. Francis W. Pedrotty, the attorney for 2nd Lt. Christopher M. Cooke, said in papers filed last week in the U.S. Court of Military Appeals that Lt. Cooke should be released from custody, and his potential court-martial blocked, because Gen. Richard Ellis, the SAC commander, abused his authority in pressing charges. Lt. Cooke has been charged with making unauthorized visits to the Soviet Embassy.

The court papers quoted an Air Force investigator as saying a superior had heard that Gen. Ellis was angry because he knew the immunity promise would bar prosecution.

According to the investigator, the superior quoted Gen. Ellis as saying that, because he was about to retire, "he was going to get Lt. Cooke." Since then, Gen. Ellis and his chief legal adviser have kept Capt. Pedrotty from taking testimony, which would "indicate a cover-up is already taking place," the court papers said.

Codes Changed

A SAC spokesman in Omaha declined to comment on the changes.

Pentagon sources said that, after Lt. Cooke was arrested in late May, codes to nuclear missiles had to be changed. At the time, authorities said Lt. Cooke, 25, from Richmond, Va., was identified as having visited the Soviet Embassy here.

Capt. Pedrotty and Lt. Cooke's civilian attorney, F. Lee Bailey, countered that their client should not be prosecuted in military or criminal courts because he had been promised complete immunity if he cooperated and passed a lie detector test about his contacts with the Russians.

Justice Department prosecutors are reviewing the case but have indicated the immunity problem may bar prosecution on espionage charges.



The Vernon version of the Mona Lisa (left) and the Louvre Lisa: Note differences in smile, hands, hair and background.

Art

Mona Lisa: Capers and the Multiple Version Theory

By Jeffrey Robinson
International Herald Tribune

LONDON — At 5:30 in the afternoon, the Louvre's curator of Egyptian art was the one to make the official statement: "La Joconde is gone."

It was Aug. 22, 1911. Someone had stolen the Mona Lisa.

It was two years before the painting returned to the Louvre. All that time, it lay hidden in a room within walking distance of the museum.

Truth is not only stranger than fiction; it is much more fascinating," says Seymour Reit, whose book "The Day They Stole the Mona Lisa" has just been published in Britain by Robert Hale. (It was brought out earlier this year in the United States by Summit Books.) "The theft of the Mona Lisa was engineered by two geniuses who never had any real interest in the actual painting except to get it out of the museum."

The brain of the team was a self-styled marquis called Eduardo de Valfermo, a South American who found some American millionaires each willing to pay \$300,000 cash for the Mona Lisa. The talented member of the team was an art restorer from Marseilles named Yves Lommel, who represents a reunion of the surefire features of the familiar formula, with some added ginger.

A little boy and his sister spy on their mother at amorous play with her lover. The lover brutally punishes the boy for this invasion of privacy and in revenge the boy stabs him to death with a kitchen knife. Sex, sadism and murder in one room.

The years pass and the boy, grown to manhood, is the farmhand on his married sister's estate. He has lost the power of speech and moons about in a barn where animated pitchforks fly around perilously. The sister is obsessed by her gruesome memories and her husband forces her to revisit the house of the crime to cure her of her hysteria. Enter the supernatural. A mirror in the fatal bedchamber has recorded the horrible night. When a priest is called to exorcise it, all hell breaks loose.

A few gulps of the scenario and we have the satanic possession of "The Exorcist" and the uncanny warning of "The Omen" as a finale — probably the overture to a sequel — the brooding threat of "Halloween" and the haunted house, spectres and flashing knifeflays of countless other popular shudderers. Lommel has stirred the witches' brew with a dexterous hand and serves it piping hot.

The day of the sinister thriller is by no means over, but since it is in vogue, more novel sources should be tapped. Butifuel a year or two ago promised a screen version of Huysmans' "Là-Bas," that startling novel of sorcery and devil's work in the Paris of the '90s. He appears to have dropped the project. Some ambitious filmmaker should pick it up.

The "Boogey Man," billed in French as "Spectre," is at the Paris City-Triomphe and the Paramount Odéon in English.

* * *

Low-Calorie Wine Gets Boost in U.S.

Los Angeles Times Service

LOS ANGELES — Paul Masson Vineyards says a technological breakthrough permits it to make the lowest-calorie wines yet produced, and throughout the year.

That would put Paul Masson a step ahead of Coca-Cola Co., the first to announce low-calorie wines, under the Taylor label, but Coca-Cola has said its process can be used only shortly after harvest if the freshness of the wine is to be maintained.

There was no sign of any violent behavior... He did become frustrated rather easily over small things... He didn't know anything about the ways of the outside world, little things.

"He called up the other day because he had run out of toothpaste and he didn't know where you go to buy a tube of toothpaste. When we gave him his money he didn't even know how to open a bank account. His editor at Random House had to go with him."

Mr. Meredith spoke with his author last Friday night, he said, just hours before the stabbing. The conversation had to do with the McDowell Colony, an artist's retreat in New Hampshire. Mr. Abbott wanted to know how to apply. They also discussed book Mr. Abbott wanted to write. It was to have been a novel, said Mr. Meredith, about making the adjustment to outside life.

INTERNATIONAL BUSINESS OPPORTUNITIES

COMPANY RESIDENCE IN SWITZERLAND

We offer in the city of Bern residence for your company (tax advantages):

- Mail-box service
- Telex/telephone service
- Qualified staff
- Meeting facilities
- Lawyer service
- Tax consulting, etc.

Separate office space available.

Please write to: Cipher 79-4088,
ASSA SCHWEIZER ANNONCEN AG,
Thunstrasse 22, 3000 Bern 6, Switzerland.



Theater

West Germans Seeking To Bypass Brecht Heirs

By Ellen Lentsz
New York Times Service

BERLIN — Twenty-five years after the death of Bertolt Brecht, a group of West German theatrical directors and performers has called on the East Berlin Academy of Arts to place Brecht's plays in a national trust and divest his legal heirs of some of their rights.

The West Germans took their step after one of Brecht's daughters, Barbara Brecht Schall, who lives in East Berlin, barred a West German director, Hansguenter Heyne, from producing Brecht's "The Good Woman of Sezuan" at the Stuttgart state theater. The move did not come as a surprise; a conflict between Brecht's heirs and theaters in East and West Germany had been shaping up for some time.

'Arrogant Attitude'

When Brecht died in 1956 in East Berlin, where he had settled after his return from the United States, he left a will giving his heirs control over the production of his works on the German-language stage. Under existing copyright laws, they also receive the royalties for any production during a 70-year period after the author's death.

"Brecht's heirs can give rights or refuse them," he said recently. "I find it right and good for the Berlin Ensemble to concentrate on Brecht's works as far as possible." But he added that it seems "wrong for the heirs to bar other theaters from producing the plays even though they are not on the Ensemble's repertory."

The letter to the East Berlin academy and one to Heyne urging him to proceed with the Stuttgart production were signed by three directors — Claus Peymann of the Bochum Theater, Jürgen Flimm of Cologne and Frank Patrick Stiel of Heidelberg — in the name of the West German group.

The East Berlin Academy of Arts has already placed most of Brecht's other writing and papers in an East German heritage trust.

DIAMONDS

YOUR BEST BUY

Single diamonds at wholesale prices by ordering direct from Antwerp, the world's most important cut-and-diamond market. Give diamonds to the ones you love, buy for investment, for your enjoyment. Write or call for free info.

Joachim Goldenstein

diamantex.com
Established 1928
Pellenaarstraat 62 B-2000 Antwerp
Belgium Tel.: Q31 34 07 51
Telex: 71779 syl b
at the Diamond Club Bldg

Gold Medal
1958

Manchester Business School

"probably the finest short course in the world..."

Financial Times

so we've tried to exclude the "probably"

STILL TIME TO APPLY FOR OUR NEW

EXECUTIVE DEVELOPMENT PROGRAMME

■ TEAM LEADERSHIP ■ PRACTICAL PROJECTS
■ INTERNATIONAL PARTICIPANTS

■ CORE PROGRAMME IN ALL MAJOR DISCIPLINES

■ HIGH LEVEL OF PERSONAL OPTIONS

MBS: "A unique approach to interacting with the business community... Down-to-earth practical problem solvers... Unique curriculum... THERE IS REALLY NOTHING QUITE LIKE IT IN THE UNITED STATES"

American Journal of Marketing Education

For full details, please cut out this advert, complete the following and return to:

Jean McDonald, Manchester Business School, Booth Street West, Manchester M15 6PB

Telephone: 061-273 8228 Ext.143

Name _____

Position _____

Co. Address _____

Tel. No. _____

MOSCOW FILM AWARDS

MOSCOW (AP) — "The Wrong-Out Man" (Brazil), "Wild Field" (Vietnam) and "Teheran 43" (Soviet Union) were awarded gold medals at the 12th international Moscow film festival, Tass reported Tuesday.

The international jury, headed by Soviet director Stanislav Rostovskiy, gave silver medals to "Temporary Paradise" (Hungary), "The Reward" (Norway) and "Muddy River" (Japan).

The day of the sinister thriller is by no means over, but since it is in vogue, more novel sources should be tapped. Butifuel a year or two ago promised a screen version of Huysmans' "Là-Bas," that startling novel of sorcery and devil's work in the Paris of the '90s. He appears to have dropped the project. Some ambitious filmmaker should pick it up.

The "Boogey Man," billed in French as "Spectre," is at the Paris City-Triomphe and the Paramount Odéon in English.

* * *

WORLDWIDE ENTERTAINMENT

PARIS



UM FILM DE STANLEY KUBRICK

ORANGE MECANIQUE

MARIGNAN PATHÉ (O.V.)

QUINTETTE PATHÉ (O.V.)

GAUMONT LES HALLES (O.V.)

PARIS

LES 2 MEILLEURES SOIRES DE PARIS

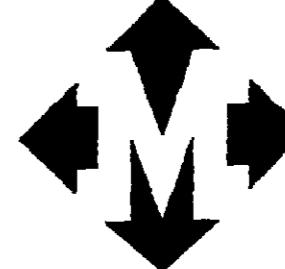
NOUVELLE REVUE COCORICO !

LIDO

20h 30 Diner dansant champagne et revue

NYSE Nationwide Trading Closing Prices July 21

Tables include the nationwide prices up to the closing on Wall Street.



Growth in Energy

Pipelines/Refining/Marketing/Oil/Gas/Minerals/Coa

MAPCO
1800 S. Baltimore Ave.
Tulsa, OK 74119
Ph. (918) 584-4471
Symbol MDA/NYSE/MWSE

For further information write Public Affairs Department:

**ASK FOR IT EVERY DAY.
EVERYWHERE YOU GO.**

International Herald Tribune

GULF STATES

Six Nations Forge Ahead On Logical Path of Unity

By Ken Whittingham

FOR BAHRAYN, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates — sharing a common language, religion, culture and historical heritage — cooperation is simply good sense. The rulers of the six nations met in Abu Dhabi in May and formally committed their states to membership in the Gulf Cooperation Council (GCC).

The council, set up earlier this year, is not a new venture for the six. Ministerial meetings and joint councils have been convened regularly during the last two years to develop the exchange of information and coordinate planning between the states of the Gulf. Positive effects are already apparent in the economic sphere, where joint investment in major industrial plants has diminished the duplication of efforts.

Because they are all to a greater or lesser degree dependent on oil, and are all embarked on much the same path of development within the same time period, cooperation could offer major economic benefits. Joint efforts in the production, marketing and purchasing of raw materials can ensure that development investments are not wasted in producing commodities for which there are no markets.

The people of the six Gulf states have many close ties of kinship, and clearly it is advantageous to have relatively easy access between neighboring countries. This also applies to businessmen, who are being encouraged to invest in the

Gulf itself rather than putting their wealth in the hands of Western financial organizations. With the heavy industrial development phase well on the way, there is great potential for local entrepreneurs to engage in light industry.

Mutually Beneficial

Barely a day passes in the Gulf without some meeting being held or agreement being signed to bind the six states more closely. The relationships are mutually beneficial, and no threat is posed to the sovereignty of any of the states.

Formal cooperation is a logical step as each state reaches a level of organization where such coordination becomes possible. But it is also an urgent but mature political response to the threat of foreign intervention or even political meddling in this sensitive, vulnerable reservoir of the world's energy supplies.

Since the Iranian revolution removed the heavily armed, Western-backed regime of the late shah, Mohammed Reza Pahlavi, Western politicians and experts have again turned the spotlight on the Gulf as an unstable zone susceptible to invasion by Soviet forces and incapable of self-defense.

The same kind of argument was raised by opponents of Britain's military withdrawal from the Gulf in 1971. But a great deal has changed in the last decade. As each of the Gulf states has found political and, more importantly, economic independence and sovereignty, it has succeeded in solving domestic problems and reducing its dependence on foreign support.

Moreover, the surplus wealth of the Gulf states has given them a unique position in the world as major aid donors. At least three states — Saudi Arabia, Kuwait and the U.A.E. — have consistently figured in the top 10 aid donors in absolute terms. But these states are themselves developing, and their attitude toward the recipients is different from that of advanced Western nations. Thus the Gulf states have, through their financial policies, won friends and ties in most of the Third World to become effective leaders in the Islamic and Group of 77 blocs of the world.

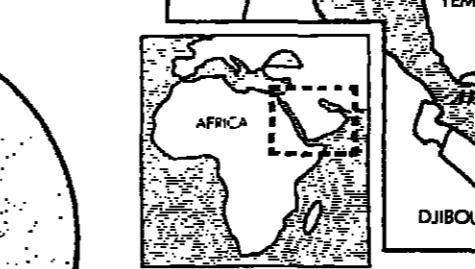
Development is not wasted in producing commodities for which there are no markets.

The people of the six Gulf states have many close ties of kinship, and clearly it is advantageous to have relatively easy access between neighboring countries. This also applies to businessmen, who are being encouraged to invest in the

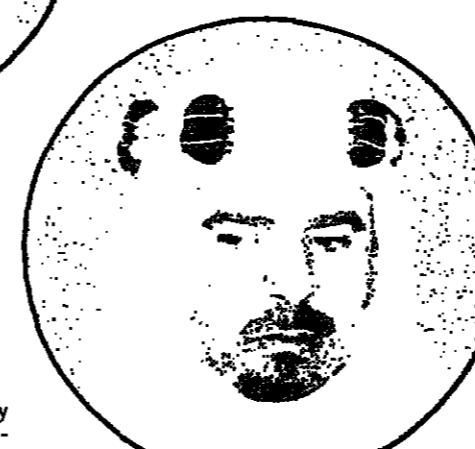
Sheikh Zayed bin Sultan al-Nahyan
... U.A.E.



Sheikh Khalifa bin Hamad al-Thani
... QATAR



Sheikh Isa bin Sulman al-Khalifa
... BAHRAIN



Sultan Qaboos bin Said
... OMAN

King Khaled
... SAUDI ARABIA



Sheikh Jaber al-Ahmad al-Sabah
... KUWAIT



Joint Projects Bring Diversity To an Oil-Dependent Economy

By Edmund O'Sullivan

THE GULF states are increasingly investing in joint projects to develop sources of income besides oil and to build up the region.

The latest Gulf government project is the Saudi-Bahrain causeway, which will provide a road link between the island and the Arabian peninsula. The plan has been allocated funds in the 1981-1982 Saudi budget, and the low bidder for the construction contract — a consortium led by Ballast Nedam of the Netherlands — is confident that work will get under way this year.

Nevertheless, there are still those in the West who feel that Gulf leaders are merely placating radical Arab states by rejecting a military alliance with the West. Such an attitude reveals a misconception of the concerns of Gulf rulers.

In the last 10 years, the Gulf has

(Continued on Page 95)

Analysts have

welcomed moves to coordinate economic development projects because this indicates a greater willingness to sacrifice national objectives for a regional approach.

this year. The company will bid for consulting contracts in the Arab world, and is intended to be a training ground for Arab petroleum industry engineers.

Outside Gulf

Although only one OAPEC company is outside the Gulf — the Libya-based Arab Petroleum Services Co. — the organization's interests range to North Africa and the Mashreq. For example, at its meeting in Kuwait in May, OAPEC decided to found a second dry dock company in Algeria. Syria and Iraq are likely to be the beneficiaries of other new OAPEC companies.

Some newer projects in Bahrain have a more specific Gulf orientation. The Gulf Petrochemical Industries Corp. (GPIC), which was inaugurated in March, is owned by Kuwait's state-owned Petrochemical Industries Corp. and the Bahrain National Oil Co. The \$400-million plant will produce methanol and ammonia.

Dredging has started in the north of the island for the Arab Iron and Steel Co., which is owned by the Kuwait Foreign Trading Contracting and Investment Co.

Kuwait Metal Pipe Industries, the Arab Industrial Investment Co., the Arab Mining Co., private Gulf nationals and the Iraqi government. The project is expected to cost \$300 million and will produce steel pellets for further processing in local industries.

In contrast, the Gulf Aluminum Rolling Mill Co. — the result of a feasibility study by the Gulf Organization for Industrial Consultancy — is entirely state-owned. The shareholders are Bahrain, Iraq, Kuwait, Oman, Qatar and Saudi Arabia. Abu Dhabi was invited to participate, but has not confirmed whether it wishes to do so. The plant's proposed output is 40,000 metric tons a year.

Earlier Project

Bahrain is the site of an earlier experiment in Gulf industrial cooperation. The Bahrain Aluminum Co., founded 10 years ago, is majority-owned by the Bahraini government. Other shareholders are the Saudi government and foreign companies.

There are some purely private joint ventures as well, although they are more difficult to detect. Most joint private ventures recently have been in banking and finance. They tend to be concentrated in Bahrain, which has offshore banking laws and a special status for investors setting up companies to trade outside the island. Among the new Gulf offshore banks are the Kuwait Asia Bank, founded in April by Kuwaiti and Bahraini investors, and the United Gulf Bank.

Analysts have welcomed the moves by Gulf governments to coordinate economic development projects because this indicates a greater willingness to sacrifice national objectives for a regional and more rational approach to modernization.

There are still sufficient differences among the Gulf economies, however, to slow plans for greater economic integration between Gulf Cooperation Council members. Oman, in particular, is developing quite differently from the other five states. Bahrain has allowed itself to become a banking and insurance center by creating offshore laws, while no new foreign banks have been able to set up permanent offices in Kuwait or Saudi Arabia.

OMAN: Revision of Policy Brings Dramatic Results

DEVELOPMENT has taken place so quickly in the Gulf region that it is hard to remember that, less than a generation ago, the Arab Gulf states were out of touch with the advances of the modern world, and none more so than Oman.

The former ruler, Sultan Said bin Taimur (his son, Sultan Qaboos bin Said, seized power from him on July 23, 1970), had decided to keep his country insulated from modern influences, and this created discontent among the disparate population and provided the excuse for a Communist-inspired rebellion in the Dhofar province bordering Southern Yemen.

A lack of leadership and political strife prevented the proper exploitation of oil reserves, and even agriculture in Oman — the most verdant zone in the Gulf — was in decline. Sultan Said was at loggerheads with Saudi Arabia because of border disputes, and Oman belonged to no international organization.

As if that legacy were not enough of a problem for the Sandhurst-trained Sultan Qaboos, who had been kept away from government affairs, Oman is also the strategic gateway to the world's oil supplies, with vulnerable oil tankers passing through the Strait of Hormuz.

Different Approach

Faced with the task of dragging a divided nation back into the world, Sultan Qaboos adopted a political approach that is quite different from those in the Gulf. Despite temporary setbacks, it has proved successful, as is shown by his presence at the Gulf summit conference as a full partner in the Gulf cooperation project.

Abandoning the practice of acting behind closed doors, Sultan Qaboos announced his intentions at home and abroad, made decisions and acted on them, and spoke out on vital issues, even when it did not please other Arab heads of state.

On the domestic front, Oman's priorities were necessarily different from those of close neighbors. A relatively large and disaffected population coupled with a relatively small income meant concentrating on education and social development while boosting traditional industries to raise employment and income levels, before embarking on the grand projects familiar elsewhere in the Gulf.

The effects were dramatic. After military defeat of the rebel forces, popular support for opponents of the regime dwindled as people seized the opportunities

being offered for work and education. In a short time, Sultan Qaboos won the support of most, if not all, of his people.

Rapid Steps

Within the region, rapid steps were taken to mediate the dispute with Saudi Arabia. Other disputes have taken longer, but recently Oman and the United Arab Emirates finally agreed to resolve their territorial claims. Even on the most difficult problem — relations with Southern Yemen — a changed attitude in Aden plus the mediation of representatives of the Gulf Cooperation Council augur well for an end to hostilities. Oman is now extremely active in regional and Arab circles.

A major source of political tension arose between Oman and its Gulf neighbors over the Camp David accords between Egypt and Israel. Oman, lacking the financial resources of its neighbors, is not as well-placed to stand aloof from the West as other Gulf states have done. It initially supported the initiative, and Sultan Qaboos said openly what many others kept to themselves. While Oman adheres to its belief that any process toward peace in the Middle East is better than none, the recriminations between the Arab League states and Oman have ceased.

Oman, like its Gulf neighbors, is an oil-exporting country, but it is in desperate need of other sources of income. Recent discoveries of oil fields in the southern province of Dhofar and near the Saudi border have dramatically increased Oman's estimated reserves, but it is nevertheless a smaller producer, with a target of only 350,000 barrels a day and a relatively large population of about 800,000.

Economic development has been hampered by two major problems. The first is the long war with Marxist guerrillas in Dhofar, which was a considerable drain on the economy, coupled with the constant need to increase defenses along the Strait of Hormuz. There was a slowdown in military spending in the late 1970s, but recent major additions to military strength have certainly forced up the undisclosed military budget.

The second obstacle has been the nature of Oman's terrain, which is largely mountainous with many areas of difficult access. Since Sultan Qaboos came to power, a lot of capital has been invested in opening the country with a network of roads and telecommunications facilities. New airports and ports were also necessary.

Work on facilities continues, especially for the new oil fields. But in the five-year plan that took off

this year, there is evidence that Oman is beginning to concentrate more on building up industries, besides oil, with export potential.

Rapid Steps

Oman could become a major supplier of agricultural products in the Gulf. The industry was in serious decline before 1970, even though it was the basic source of livelihood for the majority of the population. Since problems have been settled in Dhofar, which has a monsoon rainfall unique in the Gulf region, the province has started exports.

Under the five-year plan, the Ministry of Agriculture is preparing a \$300-million project to provide advice and services to farmers and also is expanding and improving irrigation networks because northern Oman gets little rainfall. The emir of Qatar, Sheikh Khalifa bin Hamad al-Thani, who was among the first to promote the

idea of Gulf cooperation as a step toward a common market and eventual unity, has often said that such cooperation and coordination is the only deterrent to foreign ambitions.

Stronger Terms

Saudi Arabia's foreign minister, Prince Saud al-Faisal, put it in stronger terms before U.S. Secretary of State Alexander M. Haig's visit to the region earlier this year. He told an Arabic magazine: "There is no interest for any power in the Gulf except those of the people of the Gulf themselves.

All this — plus increased cooperation between immigration and security services, and the coordination of labor policy between the states — was aimed at preventing domestic unrest, or the opportunity for foreign agitation. Kuwait in particular has had problems with its large and long-term immigrant community and has always emphasized that the real threat to the Gulf lies within the region, not from external forces.

The emir of Qatar, Sheikh Khalifa bin Hamad al-Thani, who was among the first to promote the

expected capacity of 20,000 metric tons.

The plant will cost \$150 million, of which \$100 million has been provided by the Saudi Development Fund. Kuwait is also involved in a project with the Oman Cement Co., and work will begin shortly on a 624,000-ton-a-year plant.

Tourism can be expected to grow rapidly in the coming years as the Gulf opens up to cheaper flights from Europe and elsewhere.

On a larger scale, the mining of mineral resources is now becoming economically feasible. In ancient times, Oman was known as the "land of copper." A joint Saudi-Omani copper plant is under construction at Sohar, 200 kilometers from the capital, Muscat, and will begin production in 1982 with an

Oldest Project

OAPEC's oldest project is the Kuwait-based Arab Maritime Petroleum Transport Co., founded in 1973 to freight oil, gas and refined products. Unfortunately, its creation almost coincided with the tanker market slump. Last year was the first in which the company recorded a profit.

The Arab Shipbuilding and Repair Yard Co., founded in Bahrain a year after the transport company, has had a more satisfactory earnings record. Its dry dock in Bahrain, linked to the northern Muharraq Island by a man-made causeway, is 4 years old this year.

A third OAPEC project, Apicorp, has been consistently profitable since it was founded in 1975. Its role is to provide long-term financing for hydrocarbon-related projects in Arab countries. In the Gulf, it has helped finance the expansion of oil industries in Bahrain, Qatar and the U.A.E., principally through loans but increasingly through equity participation.

Five members of the Gulf Cooperation Council are in OAPEC — the exception is Oman, which exports negligible amounts of crude.

The latest OAPEC project is the Arab Consulting Engineering Co., established in Abu Dhabi earlier

in 1973.

In contrast, the Gulf Aluminum Rolling Mill Co. — the result of a feasibility study by the Gulf Organization for Industrial Consultancy — is entirely state-owned. The shareholders are Bahrain, Iraq, Kuwait, Oman, Qatar and Saudi Arabia.

The latest OAPEC project is the Arab Consulting Engineering Co., established in Abu Dhabi earlier

in 1973.

European suppliers should get a bigger share of Saudi weapons orders. Its biggest traditional supplier, the United States, is unwilling to provide everything the kingdom wants without going through public and, to the Saudis, embarrassing examinations of the kingdom's strengths and weaknesses.

The controversy in the United States about Saudi Arabia's request for Advanced Warning and Control Systems (AWACS) aircraft is the latest example of what some Saudis see as the United States' lack of a basic commitment to the kingdom.

Europeans

European suppliers should get a bigger share of Saudi weapons orders. Its biggest traditional supplier, the United States, is unwilling to provide everything the kingdom wants without going through public and, to the Saudis, embarrassing examinations of the kingdom's strengths and weaknesses.

The controversy in the United States about Saudi Arabia's request for Advanced Warning and Control Systems (AWACS) aircraft is the latest example of what some Saudis see as the United States' lack of a basic commitment to the kingdom.

Analysts have welcomed the moves by Gulf governments to coordinate economic development projects because this indicates a greater willingness to sacrifice national objectives for a regional and more rational approach to modernization.

There are still sufficient differences among the Gulf economies, however, to slow plans for greater economic integration between Gulf Cooperation Council members.

Oman, in particular, is developing quite differently from the other five states.

Bahrain has allowed itself to become a banking and insurance center by creating offshore laws, while no new foreign banks have been able to set up permanent offices in Kuwait or Saudi Arabia.

SAUDI ARABIA: Resources Lift It Into Key Role

SAUDI ARABIA is the most important member of the Gulf Cooperation Council, and is likely to play a crucial role in how it develops.

With a population officially put at about 8 million, including up to 2 million expatriates, it has the human resources that the other five council members lack. It also has the world's largest proven oil reserves. It will take nearly half a century at present output levels to use the oil that is known to exist.

The kingdom has acquired its international significance from its role as the world's biggest oil exporter, the provider of a major proportion of non-Communist countries' energy. About 10 percent of the United States' needs are met by Saudi oil; many Western European countries are even more heavily dependent, while some developing states rely completely on Saudi crude.

Additionally, Saudi Arabia occupies a key strategic position. It lies across the air routes between Europe and the Far East, and dominates two great sea routes — the Red Sea and the Gulf — through which a majority of the world's oil flows.

Political Role

The kingdom has also inherited a key political role because of the presence of Mecca and other Moslem holy places. More than 1 million Moslems from all over the world travel to the kingdom annually to participate in the *hajj* (pilgrimage). The Saudis are deeply conscious of the responsibilities, as well as the privileges, conferred on them by being the guardians of Mohammed's birthplace.

Of these factors, only the rate of oil production is subject to government control. Even this is heavily influenced by history. The former shareholders in newly

</



THE UNITED ARAB EMIRATES

AN INTRODUCTION

The United Arab Emirates, a federation of what used to be the Trucial States, achieved independence at the end of 1971, coinciding with the completion of British evacuation from the Arabian Gulf. Comprising Abu Dhabi, Dubai, Sharjah, Fujairah, Ajman and Umm al Qaiwain at inde-

pendence, the federation was joined a couple of months later by the seventh Trucial State, Ras al Khaimah, thus taking on the shape that has characterised it over the past decade.

The UAE is now best known internationally as a major oil producer, with daily production running at about 1.4 million barrels a day after a series of cutbacks culminating in one of 175,000 barrels per day after May's meeting of the Organisation of Petroleum Exporting Countries. The wealth from oil has enabled the country to embark upon a dramatic development programme, that, during the past ten years, has seen it almost totally transformed. In common with many of its near neighbours in the Gulf, now joined with it in the Arab Gulf Co-operation Council, the UAE achieved its independence against a background of underdevelopment and poverty.

Schooling was limited, health services, particularly in the remoter desert and mountain regions virtually non-existent, internal communications lacking, and industry totally absent. Over the past ten years, however, the country has been able to shake off the heritage of poverty and neglect that had characterised the previous century and a half. With the availability of its petroleum revenues, the country has been able to construct an impressive range of social services, now crowned by its own University, graduating its first class this year, and modern hospitals with equipment that matches similar institutions in the developed and industrialised world. The country is now well supplied with ports, like those of Mina Zayed in Abu Dhabi and Mina Rashid and Mina Jebel Ali in Dubai, while communications with the rest of the world are guaranteed both by the UAE's four international airports, in Abu Dhabi, Dubai, Sharjah, and Ras al Khaimah, and by a sophisticated telephone and telex system linked by three satellite ground stations to the rest of the globe. Internally, the road construction programme has meant that now even the remotest mountain settlement is within easy reach of modern facilities.

It has, however, been a feature of the Government, led since independence by President Sheikh Zayed bin Sultan al Nahyan and Vice President and Prime Minister Sheikh Rashid bin Sadiq al Maktoum, that there is an underlying recognition that mere economic growth, however important, is not enough to guarantee the country's progress and development. Another aspect has been the need to ensure that the country's wealth is not wasted, but is preserved for the benefit of future generations. Such an attitude accounts for the policy of conservation that has been applied in the oil sector - mainly in the emirate of Abu Dhabi, which now accounts for about seventy-five per cent of the country's daily output. Over the past two or three years, in response to a recognition of the need to conserve this valuable yet depletable resource for the future, the country's total output has been re-

duced by around half a million barrels a day. At the same time, huge and expensive schemes have been inaugurated to collect the associated gas from Abu Dhabi's and Dubai's oilfields, which was previously wasted. With the last major scheme, for Abu Dhabi's onshore fields, which

ment of the country's women to play a greater role in economic and social life. Within the constraints necessarily imposed by custom and culture, the women of the United Arab Emirates have been able to avail themselves of a wide range of facilities, including adult literacy programmes,

and handicraft and hygiene courses, while the younger generation are now benefiting from the existence of compulsory education up to university level. The first few hundred home-grown female graduates have just completed their studies. Roughly half of the UAE's citizens are women, and they are now coming slowly to play a more active part in commerce and government, yet without losing their traditional customs and values.

For all the efforts that the government has expended in helping the people of the UAE to adjust to the dramatic changes in their life-style, however, another factor underlies and underpins those efforts - the devoutly held faith of Islam. The religion of the people of the UAE since the latter years of the Prophet Mohammed, it retains a vitality and strength that has given the people the confidence to tackle and cope with the changes around them. It remains an inspiration to the highest and the lowest in the land, permeating virtually every aspect of life, from the UAE's generous foreign aid policy to the provision of social services and the harnessing of the country's potential for the benefit of future generations. It is, indeed, the cement that has enabled the still - young edifice of the United Arab Emirates to survive and grow stronger. In the future, it will play a similar role in cementing together the new edifice of the Gulf Co-operation Council



The modern city of Dubai and its creek



Greenery in the desert — one of Abu Dhabi's thriving parks

ARAB GULF CO-OPERATION COUNCIL (A.G.C.C.)



The Heads of State of the six members of the Arab Gulf Co-operation Council at their founding meeting in Abu Dhabi in May

During the last week in May, the leaders of the six Arab Gulf States, the United Arab Emirates, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman, met in Abu Dhabi to agree on the establishment of the Arab Gulf Co-operation Council, (A.G.C.C.). The two-day Conference, which attracted considerable international attention, saw the leaders endorse the proposal from their Foreign Ministers relating to the Council's establishment, and also elected the council's first Secretary General, Abdulla Bishar of Kuwait.

After the Conference had closed, the President of the United Arab Emirates, and conference host, Sheikh Zayed bin Sultan Al Nahyan, spoke to the foreign and local press, in a wide-ranging review of local and international issues, as well as on the outcome of the Summit itself.

The President, as reported by the Emirates News Agency (W.A.M.), spelt out several key factors of the Summit meeting. First of all, however, he took the opportunity to stress that there were no basic differences in objectives between the six states comprising the Council. It is only natural that viewpoints should differ, Sheikh Zayed said. As long as the goal is the same, however, we feel that there is no harm in any differences in viewpoints between Council Members. These are healthy, as long as we aim at a sincere and real co-operation.

What is true is that differences could be harmful if they stemmed from viewpoints that were not themselves in the service of (building) co-operation. Fortunately, however, all the viewpoints expressed at the Summit stem from an acceptance and understanding of the common interests that link us all. There was unanimous agreement amongst the Members of the Council on the need to strengthen

our existing co-operation and links in the fields of security, economics and on other issues. We have also unanimously agreed that we all would support any Member Country that may face problems of any kind.

President Sheikh Zayed, in a reference to the Summit's Communiqué, which rejected the presence of foreign bases in the Gulf Region, stressed that this was something that had met with the agreement of all States.

The Gulf Supreme Council (the Six Leaders) has agreed that our countries need no protection from abroad. They can protect themselves...They are in no need of foreign protection.

The preservation of gulf security, the President stressed, was a matter that could be handled by solidarity amongst themselves (the six A.G.C.C. Members), and with help and solidarity from other Arab countries, since we are all part of the same Arab Nation.

The Gulf Six have no enemy whom they should be afraid, Sheikh Zayed added, and do not seek the enmity of any power or any country, large or small.

At the early stages of its establishment, it is natural that the Member Countries of the Council will be obliged to study the actual mechanics of strengthening co-operation between themselves. Some such co-operation already exists, at the level of Inter-Ministerial Committees, covering such portfolios as Information, Education, Health, Youth, Labour, Finance and Industry, and considerable achievements have already been made in translating the work of these committees into practical results. The Gulf University, the Gulf News Agency, the Gulf Organisation for Industrial Consultancy and common programmes on malaria prevention and the prevention of

maritime pollution are but a few of the already visible results.

The holding of the Summit, however, and the formal establishment of the A.G.C.C. has given a new impetus to the existing bodies, since there is now a formal endorsement from the Heads of State of the six countries for the development of common policies, programmes and institutions across a broad range of subjects.

This endorsement was spelt out by Sheikh Zayed in his press conference.

Our co-operation is all - inclusive...It includes all aspects, economic and social, as well as military and security. He also dealt with the existence of border disputes between some of the Council's member countries, saying that these could now be easily solved.

The Gulf countries have now entered a new phase of developing and crystallizing their co-operation.

What then is the value of a few kilometers here and a few kilometers there? We have reached agreement (at the Summit) on many important matters. Do you honestly believe that we will not be able to sort out this question? The President stressed, however, that there was no question of the United Arab Emirates abandoning its demand for the return of the three islands, Abu Musa and Greater and Lesser Tumb, which were seized by the former Shah of Iran at the end of 1971.

The islands lie near the mouth of the Arabian Gulf, and were previously part of the Emirates of Sharjah and Ras Al Khaimah, both members of the U.A.E. These islands are ours, and our property, the President said. The property of the Arab Nation and of the United Arab Emirates. They belong to us, and we will never abandon them.

We will seek, however, to gain

dressing himself to this particular subject, Sheikh Zayed stressed that the Council should be seen not as a replacement for the Arab League on a regional level, but rather as a local component contributing to the overall objective of broader Arab unity.

The Council, he said is a milestone, a step aimed at providing support for the Arab Nation as a whole.

By establishing the Arab Gulf Co-operation Council, we are not in any way indicating an intention of staying far away from any Arab country, or to sever our brotherly relations with other Arab countries. Any other (Arab) countries, which are in a position similar to ourselves such as those of North Africa, should come together to form their own co-operation council.

Our intention is not to weaken the Arab League, but to strengthen it, and all of its constituent bodies. At the same time we call on our brother Arab countries also, to co-operate and to work closely together, because we believe that this is the only way to restore our legitimate rights.

He went on to stress the concern of the Gulf countries with the situation in Lebanon and on occupied Arab land in Palestine.

We believe that what is happening in Lebanon and Palestine affects the whole of the Arab Nation, he said. Our fate is the same and our nearly nine months old.

We (the member countries of the Gulf Co-operation Council) are sad and hurt because of this war, the President said. It is of special significance for us, because Iraq is a brotherly Arab country, and Iran is a fellow Muslim country. Both are also our neighbours. We will be glad when we can see these two countries once again close together.

Some foreign observers initially suggested that the formation of the Council meant that the Arab States of the Gulf were embarked on a course to separate themselves from the rest of the Arab World, despite their continued membership of the Arab League.

During his press conference, however, both through his reference to brother Arab issues, and by ad-

dition, what we, the Arabs, want from the United States, as a matter of principle, is not that she should side with the Arabs. Rather, we want her to be even-handed, even if this even-handedness may on occasion hurt us a bit. Our objective is justice, which is in the interests of the world as a whole, and in the interests of the United States itself.

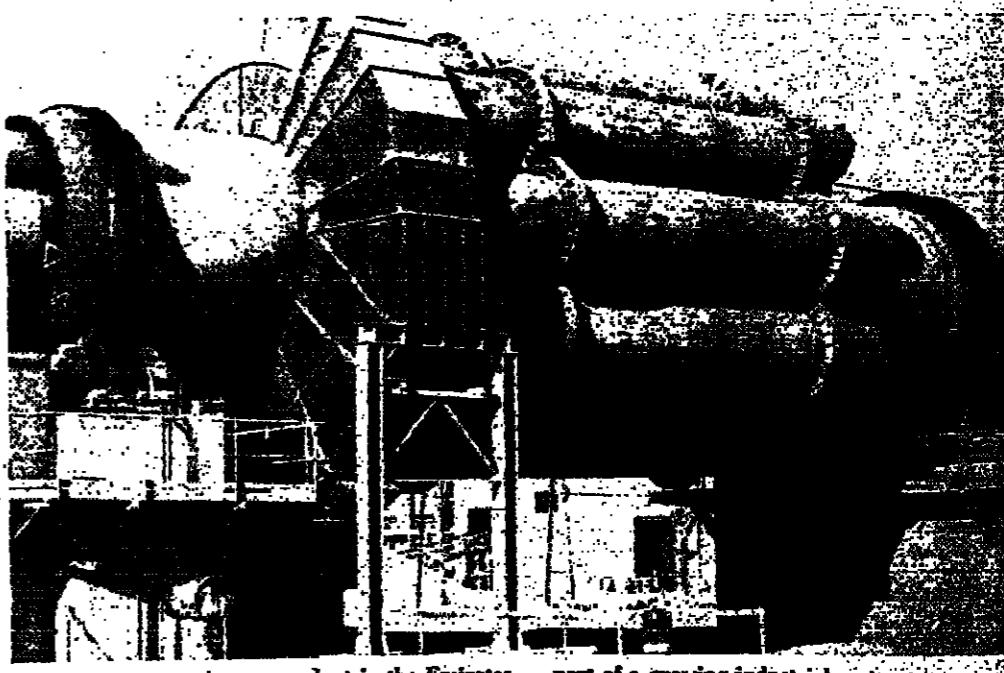
From Sheikh Zayed's comments, it is therefore evident that the Member States of the Arab Gulf Co-operation Council do not see their new Council as an institution through which they can turn their backs on regional or international affairs. The situation is, in fact, to the contrary. The Six States will henceforth be working towards the formulation of a common and single voice on issues such as Lebanon and Palestine, and on other Arab causes. With such a single voice, the Six can ensure that their opinions will carry an international weight that might not be accorded to them on an individual basis.

The key objective of the Council, however, as outlined by the President of the United Arab Emirates, is to move towards greater co-operation in all fields.

Already, in the month that has passed since the council was established formally, several steps have been taken to get the process of expanding co-operation under way. The Finance Ministers of the Six met in Saudi Arabia during the early part of June, to consider ways of harmonising economic development plans, and proposals including the abolition of all tariff barriers are expected to be put before the meeting of the Council's Foreign Ministers in Bahrain in the autumn, and then, to the next Heads of State meeting at the end of the year.

The Secretary General, Abdulla Bishar, who completed a tour of Member States at the end of June is now engaged in the establishment of the Secretariat in Riyadh.

The signs are that the commitment to the principles of co-operation enunciated by Sheikh Zayed at the end of the Council's founding summit will be now rapidly put into effect.



A cement plant in the Emirates — part of a growing industrial sector

GULF STATES

BAHRAIN: A Services Center

By Ralph Izzard

THE FOUNDING of the Khalifa dynasty in Bahrain 200 years ago — the present heir is the 10th in direct succession — brought peace and stability after a long period of anarchy when possession was disputed by Persia and Oman.

An island, protected by the British Navy under treaties dating from 1820, Bahrain has grown quietly to maturity, aloof from the tribal wars that ravaged the Arab mainland until well into the present century.

Today, Bahrain's ambition is to be recognized as the "Switzerland of the Gulf," strictly neutral and on friendly terms with all neighbors. This policy was somewhat jolted by the late shah of Iran, Mohammed Reza Pahlavi, who persisted in his claim of Iranian sovereignty until 1970, when a UN commission investigated and reported that Bahrain overwhelmingly wished to remain independent. The shah accepted the verdict.

In the circumstances, however, it was natural that Bahrain should seek friends among the Arab Gulf states, and Kuwait, Abu Dhabi and Saudi Arabia have all responded warmly. All have provided generous "soft" loans and direct grants and have taken substantial stakes in Bahrain's budding industries. Ties with Saudi Arabia are particularly close — the Khalifa ancestors originally came from the kingdom's Nجد province.

For decades, the Saudis have provided by pipeline four-fifths of the crude oil required by Bahrain's 250,000-barrel-a-day refinery.

This has to be paid for, but the Saudis donate 50 percent of the income from the offshore field they work in the north of Bahrain to the Bahraini government.

Recent decades have seen considerable external and internal pressures. The rise of Gamal Abdel Nasser in Egypt with his socialist brand of Arab nationalism supported by radio broadcasts, and the creation of a Cairo-based office for the Popular Front for the Liberation of Bahrain at first made considerable impact. Targets were the British presence, poor working conditions and too

little popular representation in the government.

There was serious rioting in Bahrain in 1956 at the time of Suez and again in 1963, but by that time Nasser's image was fading and his influence eliminated by his defeat in the Six Day War in 1967. In 1970, there were strikes and demonstrations against high prices, unemployment and poor labor conditions.

The storm was weathered by a government that was confident that time would not run out for its programs. With the departure of the British in 1971 and an abundant oil income starting in 1974, the two main causes of complaint were removed.

A big question now is whether to follow Bahrain's example and reconvene the national assembly, which was suspended in 1975. Political parties are banned in Bahrain. The government is reported as now being willing to allow a spreading of responsibilities, but with controls to ensure that any future assembly should be primarily a consultative body rather than one that would exercise a popular rule.

Bahrain's ministers, who make up the most experienced team of economic planners in the Gulf states, pride themselves on their flexibility to meet any situation. Oil was discovered 50 years ago, and the fact that it was then in small quantity compelled careful consideration of spending.

Riches came only after the energy crisis of 1973 brought a fourfold increase in the price of oil. Budgets today are reckoned on revenues from all sources, including oil, which has remained the backbone of the economy, totaled only \$27 million. Looking back, it is impressive to see what the planners did with the available money. Free education and health services were introduced, electricity and controlled water supplies installed, and a modern township built to rehouse 35,000 lower-income people.

In an ambitious scheme to create employ-

ment, the Bahrain Aluminium Co.'s smelter was started up in 1971. It is now producing 120,000 metric tons annually and is being expanded.

With Bahrain's new wealth — although it is far less than that of its Arab neighbors — planners in the late 1970s emphasized making the country the services center of the Gulf, and improving the quality of life. A road network was built, the airport modernized so that it is now probably the busiest and most efficient in the Middle East, and the port expanded to provide full container-handling facilities. The adjacent free-zone for offshore industries was extended.

Two important ventures did much to assure Bahrain's dominance of Gulf services. The Organization of Arab Petroleum Exporting Countries chose Bahrain as the site for its second downstream venture, the Arab Shipbuilding and Repair Yard, centered around a dock to carry super tankers. And the Bahraini monetary agency created a successful offshore banking center. At the end of 1980, the 58 offshore banks then operating reported assets of \$37.5 billion with profits of \$191 million, and local expenditures of \$108 million.

Inflation

Planners are now faced with the likelihood of inflation and an overheated economy, because nearly \$3 billion worth of projects are planned, many to be launched this year.

They include the 25-kilometer causeway to Saudi Arabia, for which the Saudis are paying the entire cost of \$750 million but which will bring important spin-off construction work to Bahrain; the Gulf Petrochemical Co.'s \$400-million plant for the production of ammonia and methanol, in which Saudi Arabia and Kuwait are partners with Bahrain; the Arab Iron and Steel Co.'s \$300-million plant to make iron pellets, in which the Bahrain government is a partner with private interests in Kuwait, Iraq and Jordan; and the \$100-million Gulf

Aluminum Rolling Mill, supported by Bahrain, Saudi Arabia, Kuwait, Iraq, Qatar and Oman.

Special to the IHT

THE UNITED ARAB Emirates was formed in December, 1971, when Britain withdrew. It was initially composed of six of the former Trucial States: Abu Dhabi, Dubai, Sharja, Fujairah, Ajman and Umm al Qaiwain; the seventh, Ras al Khaimah, joined a few months later.

There were significant differences among the emirates in area, wealth, population and resources, as well as in political and social development.

Abu Dhabi was already a major oil producer, with exports of more than 1 million barrels a day, while Dubai had discovered its offshore Fateh field in 1969. None of the other emirates had discovered oil in commercial quantities. Nearly a decade later, only Sharja has joined Abu Dhabi and Dubai as an oil producer. At least three-quarters of the population is in Abu Dhabi and Dubai, with the latter's position enhanced by its tradition as a commercial center for the lower Gulf.

Foreign Labor

The major problem, however, is the labor force. Efforts have been made in recent years to encourage the employment of Bahrainis. Bahrainis now make up 85 percent of cable and wireless employees, and Gulf Air has 52 percent Arab employees. Bahrainis form 55 percent of the 1,428 employed by the offshore banking units. In industry, the Bahrain National Oil Co., because of its long history, employs more than 50 percent Bahrainis. But many of the 2,500 teenagers who finish school each year eschew manual labor and head for business and commerce. If the ambitious projects are to be completed, the only solution is to admit more foreign workers.

Just-published census figures show that foreign workers already number 116,261, or about one-third of the population of 385,857. Only last year, semi-official estimates had put the number of foreigners at about 70,000. Another large influx, apart from its impact on social patterns, will further strain public services and utilities and further congest the poorer quarters of the town.

Visible Differences

The differences in the nature of the emirates were plainly visible. It was no surprise, therefore, that when the federation's provisional constitution was unveiled it gave few powers other than foreign affairs and education to the center.

The last few years have shown, however, that the rulers of the emirates have been willing to differing extents, to yield far more of their powers to the federal government than they were forced to do under the constitution. These include health, police, justice, information, immigration, public works including water and electricity, housing and agriculture. Within the last year, a central bank has begun work, and Abu Dhabi and Dubai have placed half of their oil revenues at the disposal of the federation. The United Arab Emirates has thus truly become a federation.

The process of strengthening the central government has not been without incident. There have been problems over the integration of the armed forces. The formation of the present Cabinet, headed by Vice President Sheikh Rashid bin Said al-Maktoum, the Dubai ruler, took three months in 1979, while agreement on the establishment of the central bank took three years.

There is still disagreement on the extent to which economic planning should be federal.

The achievements are more important to the people of the region, in that they represent a future long after the oil wells run dry, than supplying the world oil markets. After all, they say, there is not much threat to the oil fields. The world needs oil, so who is going to risk destroying the wells?

In return for moderation in oil

prices — despite a glut in world markets, Saudi Arabia could create a shortfall by cutting production without affecting its domestic financial plans — the Gulf states are looking to the Western world for a change in attitude, both on the Palestinian question and on creating a new economic order.

One area of development has been in fields associated with petroleum. The country's first small-scale oil refinery at Umm an Nar, near Abu Dhabi, has been on stream for five years, and is to be expanded to a capacity of 80,000 barrels a day by 1983. A 120,000-barrels-a-day refinery, at Abu Dhabi's industrial city of Ruwais, comes on stream later this year.

Natural gas from Dubai's offshore fields is now harnessed through the DUGAS liquefaction plant, while the bulk of the output from Abu Dhabi's offshore fields is liquefied at a plant on Das Island. Japan imports most of the production. Other downstream plants yet to be built include a fertilizer factory and petrochemicals.

There has also been a buildup of industry outside the oil economy, which is seen as preparation for the day, at least 50 years hence, when the oil runs out. In Dubai, the Jebel Ali industrial zone in-

cludes not only the DUGAS plant, but also an aluminum smelter, DUBAL, which should reach peak production of 135,000 metric tons a year by the end of 1981. The construction boom, most visible in Abu Dhabi, Dubai and Sharja, has spawned six cement plants, which will within the next year provide an export surplus of more than 1 million tons a year, most destined for Kuwait and Saudi Arabia.

Oil revenues, the increase in the U.A.E.'s share in regional trade, and internal development in industry, infrastructure, construction and other fields have led to a substantial rise in gross national product. The latest World Bank figures place the country just behind Qatar and Kuwait in terms of per capita income, with a total of more than \$15,000, while the oil price increases of 1979 and 1980 have further raised that figure.

The growth of the last decade — which has more than matched a population increase from about 180,000 to slightly more than 1 million at the end of 1980 — caused a liquidity crisis between 1977 and 1979, due in part to the lack of proper financial management by some of the smaller banks.

At the same time, there has been a lack of economic planning on a national scale. There are now signs, however, that the strengthening of political unity is being reflected in the economic sphere.

Logical Path of Unity

(Continued from Page 75)

As the Gulf states industrialize, they are concerned with the creation of new markets and new forms of cooperation on a global scale. The Gulf states are a part of the Arab world and they feel a commitment to resolving the Palestinian problem. This political commitment has an economic edge: The Gulf states are spending vast sums for the defense of the Arab world that would be better spent on making the Middle East self-sufficient in food. This is the aim of the recently created special fund for an Arab decade of development sponsored by the Arab League and financed by the oil-producing states.

These achievements are more important to the people of the region, in that they represent a future long after the oil wells run dry, than supplying the world oil markets. After all, they say, there is not much threat to the oil fields. The world needs oil, so who is going to risk destroying the wells?

The Gulf states continue to supply oil to their customers on a commercial basis backed by mutual interests, not because of moral obligations or friendship. Friendship, they contend, can exist only when the West shows more concern with the problems that continue to threaten the region.

QATAR: A Cautious Approach Is Paying Dividends

THE PEOPLE of Qatar are conservative in their thinking and way of life, and this has been reflected in the policy followed by the ruler, Sheikh Khalifa bin Hamad al-Thani, in promoting his country's development.

Qatar is a desert peninsula of 4,000 square miles, including a number of islands such as Halul, the storage and export terminal for Qatar's offshore oil industry. The population of about 250,000 is gathered mostly in the capital, Doha.

Although Qatar declared independence only in September, 1971, a long-term plan for development had been devised by the present ruler when he was crown prince in the 1960s. From the beginning, it was decided that future prosperity depended, on two factors: the exploitation of economic resources, that is, oil, and the development of human resources through education.

35,000 Pupils

In 1956, the first state school was opened with 100 boys. Now there are more than 120 schools providing education for more than 35,000 pupils, more than half of them girls. Teacher training, vocational training and university education are also available as the state works to develop its own

work force to control industry and administration.

All of Qatar's development plans have been subjected to long-term planning and detailed research, to eliminate potentially disastrous mistakes. The ruler of Qatar has followed a blueprint of development allowing for modifications but not for major deviations.

Qatar was the first state to renegotiate its oil concessions to reduce the control of the major oil companies, and was also in the forefront of the struggle for the nationalization of oil resources. It was also the first state of the Arab Gulf to pin its economic hopes on heavy industry. A major step in this took place in February, when Sheikh Khalifa inaugurated the Gulf's first natural gas liquefaction and petrochemicals complex at Umm al-Salal, south of Doha.

The planning that has gone into social and economic development also applies at the political level. While decision-making rests largely in the hands of the ruler, he has a declared policy of preparing the ground for a shift of power. Younger men are being brought into government as undersecretaries and directors of departments, and in many cases are playing leading roles in shaping and enacting development plans.

The planning that has gone into

social and economic development also applies at the political level. While decision-making rests largely in the hands of the ruler, he has a declared policy of preparing the ground for a shift of power. Younger men are being brought into government as undersecretaries and directors of departments, and in many cases are playing leading roles in shaping and enacting development plans.

In bilateral relations, Qatar has been careful to link economic assistance with political friendship.

Thus most of Qatar's major industrial projects are carried out in partnership with foreign national companies. In the petrochemical venture, for example, the policy involves Qatar's investing capital in the industry in France while acquiring expertise and technology.

Through the Doha-based Gulf Organization for Industrial Consultation, feasibility studies are being prepared on a number of projects, with the aim of ensuring that there is a Gulf-wide market for products rather than a duplication of small industries in neighboring states. It is expected that by the end of the year there could be 40 projects, with a maximum capital of about \$62,500 each, operating in the country, according to the Chamber of Commerce.

Local Manpower

The new industries can use local manpower trained at the Regional Vocational Training Center, also based in Qatar, which provides courses in manufacturing skills up to the standards of the internationally recognized City and Guilds Certificates. The government wants the small industries to use local manpower rather than import workers.

There is also an intensive effort to expand Qatar's agricultural base. Growing food in the desert requires abundant water and ferti-

lizers, and the availability of associated gas will be valuable. Qatar has experimental farms covering about 3,000 hectares that help fill much of the national demand for vegetables.

A new plan for using sewage for irrigation envisages almost doubling Qatar's farmland by the turn of the century. The land to be reclaimed in five phases beginning in 1983 will be used for staples such as wheat, barley and sorghum, and for sheep raising. A government Department of Water Resources and Agricultural Research has been created to take over work formerly carried out by the UN Food and Agriculture Organization.

— KEN WHITTINGHAM

KEN WHITTINGHAM is a British journalist who has long specialized in the Middle East as a writer and an editor. Mr. Whittingham is a former deputy editor of *Arab Month* magazine, and a former news editor of the *Gulf Times* in Qatar. He continues to contribute as a free-lancer to numerous publications on Middle East affairs.

His university studies focused on the Middle East, and he is fluent in Arabic — he has translated five Egyptian plays as well as official Arab documents.

EDMUND OSULLIVAN AND SHAKIB OTAQUI, specialists in Gulf affairs, are on the staff of the Middle East Economic Digest.

RALPH IZZARD is a journalist based in Bahrain.

oil prices at a time of glut, which reached \$1 billion in the current fiscal year. The government recently approved the spending of an additional \$1.8 billion in the next seven years for aircraft, anti-aircraft weapons, tanks and naval equipment. Kuwait is selective in its choice of suppliers: It operates U.S. and French aircraft, British tanks, and U.S. and Soviet missiles. It recently ordered a number of fast-attack craft for the navy from West Germany.

The Iranian-Iraqi war may, in fact, and a long-standing threat to Kuwait's security: the claim by Iraq over much of Kuwait's territory. Negotiations are under way, and Iraq is likely to abandon its claim in exchange for Kuwaiti compensation. Apart from the interest-free \$2-billion loan, this has largely come about through the opening of ports to Iraqi cargo.

Kuwait's press, which is sensitive to government policy, has recently taken a much more pro-Iraqi line in covering the war, reverting to reporting Iraqi claims of successes virtually without question, as it did at the outbreak. The more even-handed coverage adopted after Iran's air raids on Abdali on the Kuwaiti-Iraqi border has been abandoned.

Kuwait's increasing self-confidence is particularly exemplified in its willingness to incur Saudi Arabia's displeasure on a number of issues. It has, for example, become a leading hard-liner in the Organization of Petroleum Exporting Countries, attempting — without much success — to preserve high

oil prices at a time of glut, which reached \$1 billion in the current fiscal year. The government was no doubt relieved that the representation of the Shi'ite minority was reduced, although it must have been concerned by the election of about five Moslem fundamentalists.

Decrees Approved

The assembly has so far approved, with minor amendment, the mass of legislation passed by decree in the last four years. In particular, it approved — in a secret session — the loan to Iraq without any evident opposition. Some members have proposed greater accountability for the management of Kuwait's foreign ex-

change reserves, although this is unlikely to disturb the government greatly. More worrisome is the revival of rhetorical excesses during a debate on a strike by oil workers in late April.

The workers were foreigners drawn by the country's oil boom. Kuwait's small population cannot provide enough labor for its ambitious development program, and is in any case unwilling to do the heavy manual work. The result has been an influx of expatriates, mostly Arab but also from the Indian subcontinent and Southeast Asia. This has reduced the proportion of Kuwaiti citizens in the population from 55 percent in 1957 to 41.5 percent of the 1.4 million counted in the 1980 census. The undoubtedly presence of thousands of illegal immigrants who were not counted makes the problem even more serious.

Immigrants could become a source of domestic insecurity as they increasingly resent being excluded from the prosperity they helped to create. Foreigners may not own property or buy shares on the stock market, and are not eligible for the government housing to which every Kuwaiti is entitled. Naturalization is severely restricted, so that even a stay extending to decades rarely gives permanent security to the foreigner.

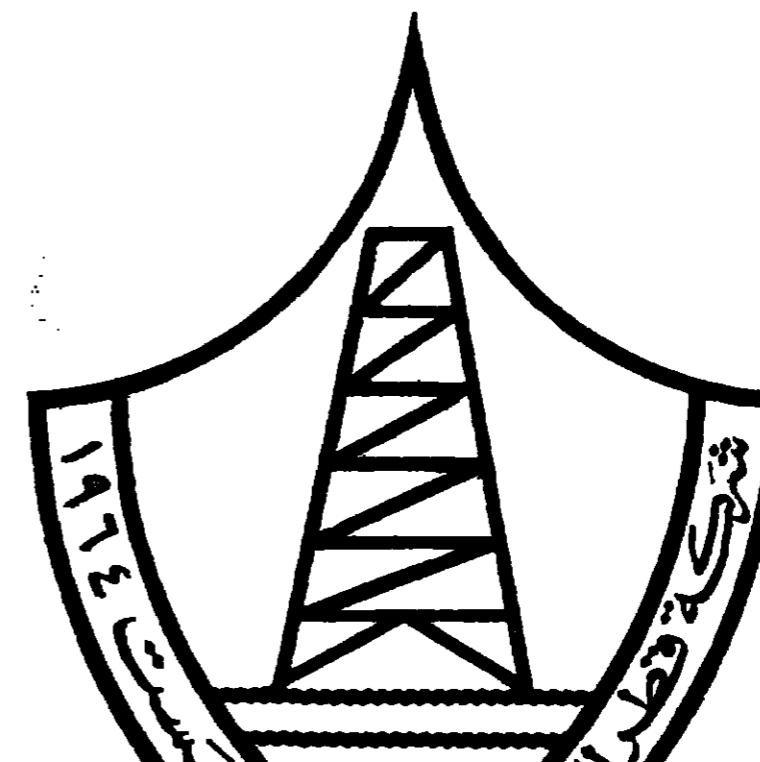
While Kuwait remains apprehensive about an unstable Iran and an Iraq with uncertain long-term intentions, the growing community of indispensable foreign workers is probably its most immediate problem.

— KEN WHITTINGHAM

THE FIRST NATIONAL INSURANCE COMPANY IN QATAR AND UNITED ARAB EMIRATES

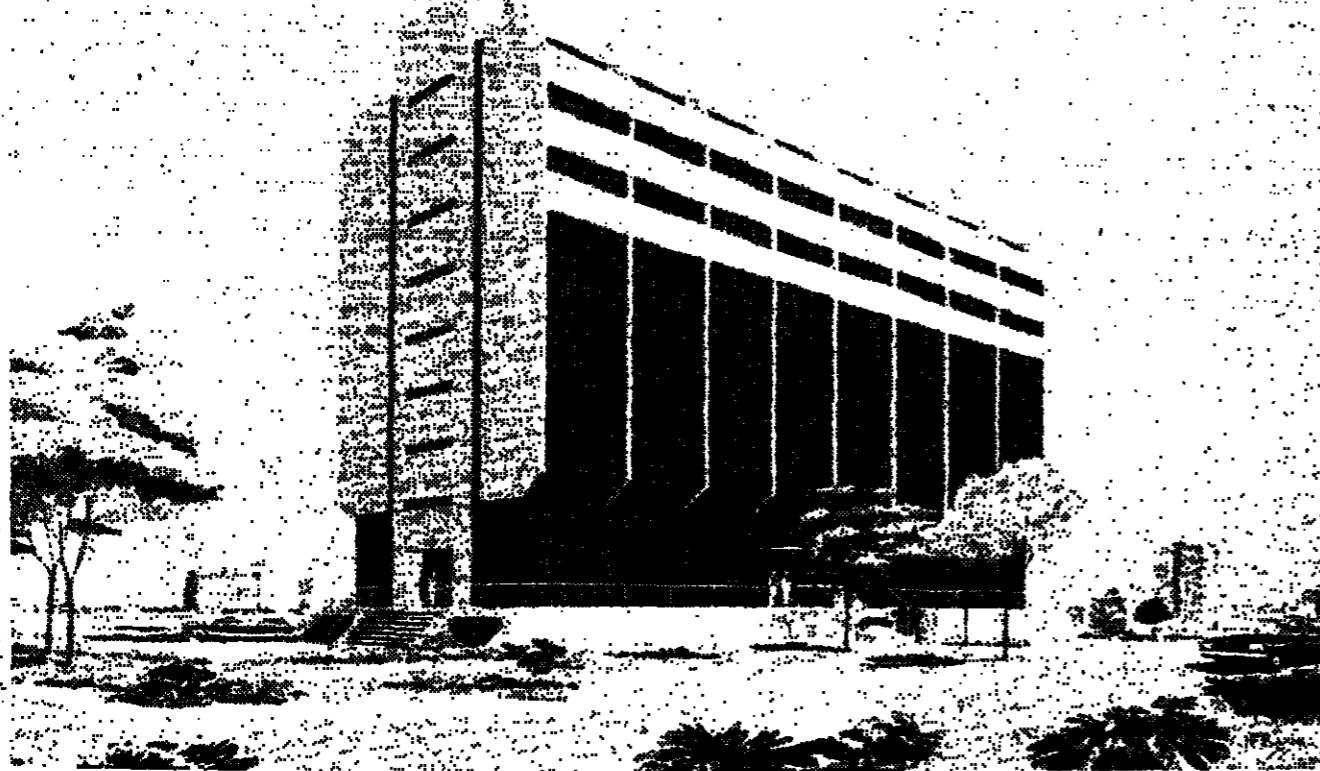
TRANSACTION ALL CLASSES OF INSURANCE BUSINESS

FIRE AND BURGLARY
MARINE
MOTOR
HEAD OFFICE: P.O. BOX NO. 666 DOHA-QATAR. TEL.: 26186.
TELEX: 4216 TAMIN DH
BRANCHES AT: DEIRA-DUBAI, P.O. BOX NO. 4066, DUBAI, TEL.: 224045
RIYADH, P.O. BOX NO. 16729, SAUDI ARABIA. TELEPHONE 4032246



JOSEPH ZAPPIA - CREATIVE BUILDER

By Laila Zoubeir



One of Joseph Zappia's latest projects: the headquarters for the Emirates Commercial Bank in Abu Dhabi

In the years immediately following the four-fold oil price increase in 1973-74, few areas in the world saw construction and development on such a scale or at such a pace as the countries of the Arabian peninsula. With a massive increase in their available financial resources, and often still at that time lacking much of the basic infrastructure of modern states, the states of the Gulf embarked on a major programme of growth. Amongst them was the United Arab Emirates.

The country was still then relatively new. Led by President Sheikh Zayed Bin Sultan Al Nahyan, Ruler of Abu Dhabi, and Vice President Sheikh Rashid Bin Said Al Maktoum, Ruler of Dubai, it was independent only since 1971, when the British, who had exerted a semi-colonial form of control for the previous century and a half withdrew from the region. To face the future, Abu Dhabi and Dubai, together with the other

to keep a foothold in the market. The situation became fiercely, even destructively competitive. It was a particularly inappropriate time for any newcomer to seek to break into the market.

One foreign company had the vision, the courage and the determination to choose this precise moment to seek to enter the U.A.E. market for the first time, the Montreal, Canada based Zappia Group.

Headed by Quebecer Joseph Zappia, son of an Italian immigrant, the Group was a relatively average builder and developer in Canada until about five years ago, when it sprang into national and international prominence as the builder of the village for the Montreal Olympic Games. The 95 Million Dollar Project, completed in a desperate race against the clock, won for Zappia international acclaim.

The Group first ventured into Sharjah in 1977, winning its first contract for the construction of 7 Overpass Highway Bridges to smooth out bottlenecks in the town's congested traffic flow. This also has been completed in a record time - 28 days for the first bridge and 4 months for the other 6 bridges. This unusual performance has introduced Mr. Zappia into a vital construction area.

Since then it has successfully won, maintained and expanded its foothold in the U.A.E. market. Over half a Billion UAE Dirhams (135 Million U.S. Dollars) worth of work has been completed, or is in the design or construction stages. In the Emirate of Abu Dhabi, base of the Group's major company in the region, Zappia Middle East Construction Ltd, three major contracts have been won from the General Headquarters of the U.A.E.'s Armed Forces. Work is also under way on two buildings, one the prestigious headquarters for the locally-based Emirates Commercial Bank, and on a major computerised stores complex for the Abu Dhabi Municipality. The company has signed a major contract for a Water Distribution Network of 400 kilometers for the inland Oasis of Al Ain. Also, they are constructing the prestigious building of the Chamber of Commerce on the Corniche Corner of the airport road.

In five years the Zappia Group has established a Middle Eastern presence that covers the U.A.E., Saudi Arabia and the Libyan Jamahiriya and has over three thousand employees in the area and about 45 million Dirhams of equipment. Senior Group Officials confidently expect further major contracts to be announced, both within the United Arab Emirates and outside within the near future.

The key to the Group's progress seems to be the charismatic personality of its President and Chief Executive Officer, Joseph Zappia. Educated at Loyola and McGill University prior to taking over control of the company established by his father, Zappia is unusual amongst major figures in Canadian and international construction in that he followed up his degree, in Engineering, with a second Arts Degree in Philosophy, Literature and Music. A trained tenor, he still retains a deep and abiding interest in Music and the Arts.

The breadth of his interests led him to venture into the field of politics in Canada, where he was for a while a leading contender for leadership of the Progressive Conservative Party. The eventual winner of the contest, Joe Clark, went on to become Prime Minister in the next election.

Following the successful completion of the Montreal Olympic Village, however, a powerful and united campaign by elements both within the Canadian Federal Government and within the machinery of his own party escalated to a level where Zappia decided to withdraw gracefully from the political fray. He comments ruefully that the in-fighting of construction companies competing for contracts is but a child's game compared to the battles of politicians.

Zappia has been able, however, to maintain the

respect both of the Canadian Government and that of his home province, Quebec, and although his Group is now expanding fast overseas, especially in the Middle East, it continues to be active at home.

Construction on the scale on which Zappia operates involves a breadth of vision that covers not merely the technical aspects of construction, but also a real appreciation of the world around him, its social and economic pressures, and the demands and objectives of urban dwellers.

"In most of the projects in which he has been involved, there has been something more than money", claims one of his closest associates in Abu Dhabi. "Look at the Montreal Olympic Village - it was more than just a fine housing complex. Because of the purpose for which it was initially built, it involved Canada's prestige in the world. The condominiums in Canada display an appreciation of the need to model a new urban environment in which the need for a social conscience as well as more concrete factors are taken into account. Even the Sharjah flyovers - which was a design, fabrication and erection job - have contributed to a significant improvement in the quality of life there".

One top Canadian Banker once described Joseph Zappia as "perhaps one of the last great individual builders". In an age of corporate facelessness, and of stiff management formalism and bureaucracy, it is not surprising, therefore, that Zappia stands out.

His own technical training has given him the ability to understand the smallest details of engineering and construction, an ability that his employees, from project manager to the humblest brick-layer, have come to respect, and occasionally, to fear. Describing his own business philosophy as "a commitment to excellence, coupled with a belief in undivided candour", Zappia has managed to motivate his own workforce with the same spirit, while the merciless energy that permits him to work a steady fourteen to sixteen hours a day has helped him to keep that workforce perpetually on their toes, never sure when he will come walking into the design office or driving on to the site.

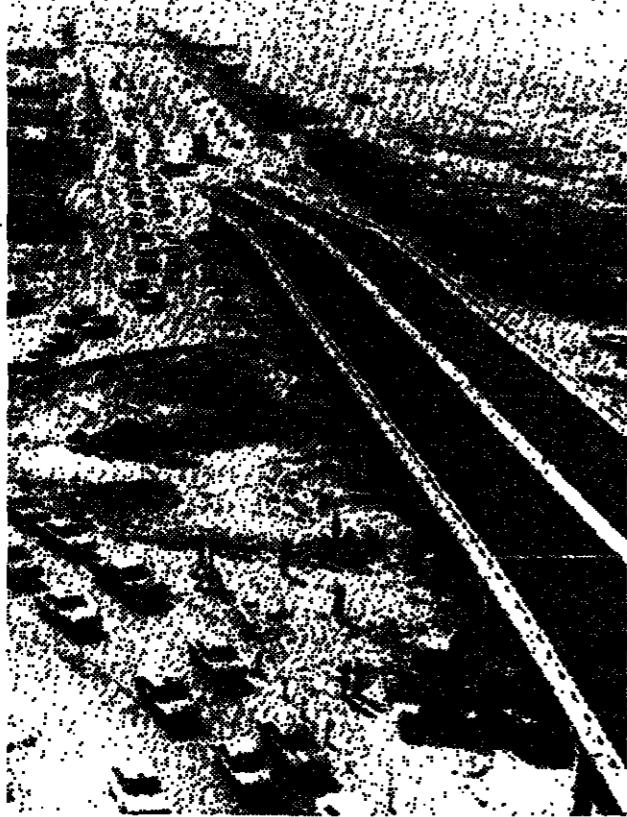
One feature of the Group that Zappia leads is its flexible organizational structure. It follows a basically conventional hierarchical system, but is designed to be flexible enough for special teams to be created for each project, encouraging involvement by top level management alongside lower level management and the 'in-house' technical staff in the execution of projects. One result of the system has been to permit an attention to detail by top management, including Zappia himself, that has kept them in touch with the day to day problems of project execution and management.

Coupled with the wide range of expertise available within the Group, which has close links in Canada, the United States, U.K., Italy and the Middle East, this has meant that it has been possible to maintain tight control over all stages of project implementation, with a consequent ability to resolve problems rapidly and to minimise financial wastage. One result has been that the Zappia Group has been able to beat larger and more unwieldy corporations as well as small builders in tendering. Many of the more successful jobs so far completed by the Group have included tight delivery schedules and cost restrictions that other companies have, quite simply, felt unable to accept. The activity of the Group in the field of property development has helped as well, since it means that it understands not only the technical problems related to construction, but also the particular requirements of end-users.

Like any successful entrepreneur, Joseph Zappia

is not afraid to take risks. The Montreal Olympic Village and his condominiums in Canada were built with the Group acting as owner-builder, and there have been other speculative ventures in the United States, all of which have proved to be financially successful. Recently he received the rare accolade of being one of the few foreigners permitted to embark on such a speculative venture in Abu Dhabi, while his hard-earned reputation locally has led him to being approached within the past few months by one of the leading figures in Abu Dhabi for advice on a major construction-related project. More details are promised within the next few months.

The energy that has permitted Joseph Zappia to build and control his expanding construction and development Group has, of course, not helped in the establishment of a conventional way of life. With companies in North America, Europe and Middle East, he has for years been a peripatetic traveller. His French Canadian wife, Françoise, has given up the hope of being able to persuade him to live otherwise, and has, instead, become one of his closest advisers. "With the hectic life he leads, I have come to persevere with him, and to ally myself with him in the achievement of his goals".



One of seven highway overpasses that were built in record time in Sharjah.

five former 'Trucial States', Sharjah, Ras Al Khaimah, Ajman, Fujairah and Umm Al Qaiwain, had joined together in a federation, but by 1973, they still lacked most of the attributes of a modern state. With the heritage of colonial neglect to overcome, there was suddenly the financial resources available to tackle the task.

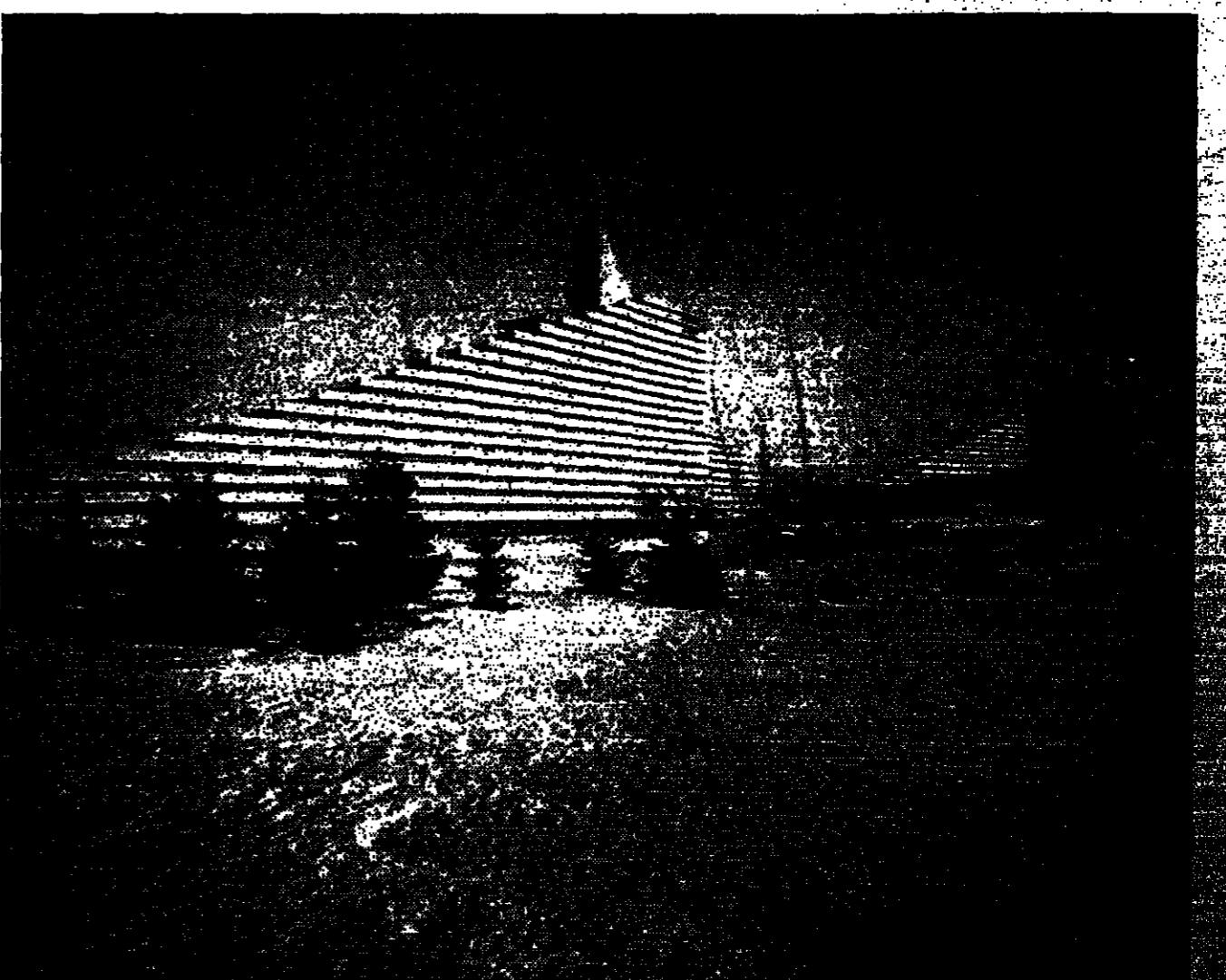
By about 1977, however, the pace of growth had become almost too rapid to digest. Inflation, according to official figures, had risen to over thirty per cent, and the Government was obliged to move to bring its over-heated economy under control. One immediate casualty was the construction sector, where the pace of building had outstripped even the most optimistic projections of demand. Many banks had become heavily over-committed in lending to speculative building ventures, and it was, indeed, the collapse of one bank, and the temporary closing of another, that led to the Government's decision to act.

The picture was particularly bad in the Emirate of Sharjah, where oil production, and revenue, had failed to keep pace with initial expectations. The result was a serious slump in the construction sector. Literally dozens of small contracting companies went out of business, often leaving buildings incomplete. The larger and more soundly based companies were forced to resort to desperate price cutting measures, often tendering for projects at cost or below cost, just

On the job: another project takes shape, this one in Saudi Arabia

Asked to describe himself recently in one and in two words, Joseph Zappia paused a moment for reflection: "Builder", he said. And the two words, an associate interjects "Builder, Builder". Zappia, however, has another answer, "Creative Builder".

One of his latest projects, the headquarters for the Emirates Commercial Bank in Abu Dhabi, makes the point. It will be the first building in the U.A.E.'s capital to have underground parking, two floors deep. In most cities, and certainly in most of those in which Zappia is accustomed to operating, that would pose no special problems. Abu Dhabi, however, is a small sandy island, only a few feet above sea-level. Two metres below ground level, a hole fills rapidly with sea water, and, in consequence, before work on the car park can begin, a huge hole must be dug, and lined with special salt-resistant steel and concrete. Yet the city, rapidly growing, is desperately short of car parking space. Underground car parking in Abu Dhabi - that is real creative building, and Zappia is already engaged in designs for a second building that will also provide such space. In a country where many architects and builders have chosen to construct simple skyscraper boxes with little imagination, the Emirates Commercial Bank Building and its car-park is an example of the style and the flair that have made Joseph Zappia, in five short years, a growing force in Middle East and international construction.



The Montreal Olympic village, a 95 million Dollar project which was completed in a race against the

Rose Biding His Time in a Race Against Time

By Joseph Durso

New York Times Service

NEW YORK — In the 41st year of his life and the 19th year of his baseball career, Pete Rose has the other day to consider the price tag of the baseball strike.

It was costing Nolens Ryan of the Houston Astros and Dave Winfield of the New York Yankees about \$6,000 and \$7,500 a day, respectively. It was costing the Los Angeles Dodgers \$500,000 for every game missed. Everybody was paying something.

Then there was Peter Edward Rose, once of the Cincinnati Reds and now the Philadelphia Phillies. The strike was costing him roughly \$5,000 a day.

The Ultimate Cost

But for Rose, baseball's perennial-motor Charley Hustle, the man racing toward more personal records than anybody else in the business, the ultimate cost was time.

In his fight against age, in his pursuit of the legend of Ty Cobb, Rose had already lost a precious month-plus. He had lost more time to the strike than to injuries in 10 years.

He wasn't whining. But Cobb had become the obsession of his life, and time had become the key to its solution.

A caged tiger, Rose has been waiting to resume what he calls a "caging season." Three times a week, he plays four or five sets of tennis. Seven nights a week, he takes his bats to a place called the Ball Game and swings against a pitching machine.

"It feels strange," he said. "I'm OK, but it feels strange. Until the strike, I never had a Sunday off for 18 years, except when it rained. I think I missed something like five games in the last 11 years."

You Bet I'm Anxious

"If I end up with 73 hits, which I have now," he went on, "it's a loss. Cobb gets further away."

You bet I'm anxious for my records. We were a game and a half in front when the strike started. I was hitting .330. I've got the all-time record for hits per game and that's all down the drain.... And I'm on the verge of the record that counts: No. 1 in hitting in baseball."

"Cobb's got 4,191 hits. I've got 3,630. So if I end up with 73 hits this year instead of 195, it hurts. This minute I'm 561 away."

He shifted gears. "But the

game's bigger than any individual or group of individuals. I just can't think that I lost a month to Cobb. I can't put my personal things ahead of everybody's. Maybe I'll get lucky and not get hurt, and make it up."

He shifted again: "I'm not criticizing. But why don't they settle these things during the winter?"

And, again, the obsession: "If I get to 4,000, I'll glue myself together and get that extra 191. And I'll get to 4,000."

No Exceptions

During baseball's longest shutdown, time isn't standing still for anybody.

Tim Raines of Montreal stole 50 bases and then halved his chase for Lou Brock's record of 18 in one season. Fernando Valenzuela of the Dodgers pitched five shutouts and won eight straight games before encountering a mild slump — and then halted his chase for rookie-of-the-year honors.

But for the senior stars, the time lost might be lost forever. Willie Stargell of Pittsburgh was 40 and limping toward his 500th home run. Carl Yastrzemski of Boston was 41 and vaguely gunning for his 500th. Gaylord Perry of Atlanta was 42 and needed six victories to become the first man in nearly 20 years to reach 300.

"Look," said Rose, 40 last April. "Us older guys realize that if you stay in shape and prolong your career, it's a couple of million dollars more. You can play two years after you could've retired."

"But you start taking two days off a week when you're 39, and you suddenly start to play like you're an old man. I don't want any days off. Some guy might go there in your place and look good."

Not much chance of that. In 16 seasons with the Reds and two with the Phillies, Rose has played in six National League playoffs, five World Series and 13 All-Star Games at five positions.

He has been voted rookie of the year, most valuable player in the National League and in the World Series and the National League player of the 1970s. He has won the league batting title three times. His career average is .310.

But after 2,900 games and 11,700 times at bat, Rose outranks the modern masses mostly in durability, because of it, he aims to outrank Cobb, as the greatest of all-time player in history.

He knows Cobb hit .357 at the



New York Times/Patrick Rooney

... If I get to 4,000, I'll glue myself together and get that extra 191. And I'll get to 4,000.

age of 40 and ended his career by hitting .323 at 41. For Rose, that would be next year.

But Rose knows Cobb played in only 95 games in his final season, and he can easily calculate things: To pass Cobb, he must maintain his average of nearly 200 hits a season for nearly three more years.

"Then, sometime in 1984, when he is 43, Rose's great chase may end.

"If I'm lucky," he said. "If I'm healthy, I'll make it."

"Baseball is a game of stamina," said Sparky Anderson, who managed Rose at Cincinnati. "After traveling all summer and playing night games from one coast to the other, 162 games a season, I hope the other guys on the Phillips are doing what I'm doing, and not figuring that they'll give us a week to get ready after the strike."

"I'm very fortunate," Rose said in a philosophical moment. "Every place I've been, or will be, is because of baseball. Everybody I've met, or will meet, is because of baseball. Everything I've done, or will do, is because of baseball."

But life is not that simple. Ryan struck him out the next three times the Phillips did not play the next day. The baseball strike began the day after that. "I'll get another hit sometime," said Rose as he headed home to Cincinnati to sweat out the strike. "Won't I?"

None doubts it. Nobody

doubts he'll get 142 more and pass Henry Aaron, who ended his career with 3,771 after 21 seasons in the majors. But beyond Aaron is the strike: Cobb.

Back home in Cincinnati, where his marriage broke up earlier this year, Rose was in the batting cage.

The timing was as flawless as his sense of drama. Having won national attention that summer of 1978, he became a free agent and left the Reds. After a whirlwind auction, at the age of 37, he then signed with the Phillies for four years at \$800,000 a season.

"They've got machines that pitch two speeds," he said. "You can take 90 miles an hour or 70. Whole teams line up, softball teams, hardball, everything."

"Everybody uses the 90-mile

speed to prove they can hit. I like

70 to keep my swing where it be-

longs."

Debt

"Upstairs, they even have an area twice the size of a tennis court, with artificial turf. I go up there and take ground balls. But I only hope the other guys on the Phillips are doing what I'm doing, and not figuring that they'll give us a week to get ready after the strike."

"I'm very fortunate," Rose said in a philosophical moment. "Every place I've been, or will be, is because of baseball. Everybody I've met, or will meet, is because of baseball. Everything I've done, or will do, is because of baseball."

The mood passed. The familiar obsession — achievement — was back. "I'm hitting .330, strike or no strike," Rose said. "They can't take that away from me. Maybe I'll get hot and win the batting championship again."

"Four titles in three decades. Did anybody in baseball ever do that?"

America's best baseball player, the

Aussie, is its Goliath. The

Phillies are the

defending champions of baseball and

had one immediate target in his

sights: Stan Musial's National

League record of 3,630 hits. On

June 10, in his first time at bat

against the Reds, he singled off

Ryan and tied Musial, who was

watching from a box seat.

But life is not that simple. Ryan

struck him out the next three

times the Phillips did not play the

next day. The baseball strike began

the day after that. "I'll get another hit sometime," said Rose as he headed home to Cincinnati to sweat out the strike. "Won't I?"

None doubts it. Nobody

doubts he'll get 142 more and pass

Henry Aaron, who ended his

career with 3,771 after 21 seasons

in the majors. But beyond Aaron is the strike: Cobb.

Back home in Cincinnati, where

his marriage broke up earlier this

year, Rose was in the batting cage.

He knows Cobb hit .357 at the

age of 40 and ended his career by

hitting .323 at 41. For Rose, that

would be next year.

But Rose knows Cobb played in

only 95 games in his final season,

and he can easily calculate things:

To pass Cobb, he must maintain

his average of nearly 200 hits a

season for nearly three more years.

"Then, sometime in 1984, when he

is 43, Rose's great chase may end.

"If I'm lucky," he said. "If I'm healthy, I'll make it."

"Baseball is a game of stamina,"

said Sparky Anderson, who managed

Rose at Cincinnati. "After

traveling all summer and playing

night games from one coast to the

other, 162 games a season, I hope

the other guys on the Phillips are

doing what I'm doing, and not

figuring that they'll give us a

week to get ready after the strike."

"I'm very fortunate," Rose said

in a philosophical moment. "Every

place I've been, or will be, is be-

cause of baseball. Everybody I've

met, or will meet, is because of

baseball. Everything I've done, or

will do, is because of baseball."

The mood passed. The familiar

obsession — achievement — was

back. "I'm hitting .330, strike or

no strike," Rose said. "They can't

take that away from me. Maybe I'll

get hot and win the batting

championship again."

"Four titles in three decades.

Did anybody in baseball ever do

that?"

America's best baseball player, the

Aussie, is its Goliath. The

Phillies are the

defending champions of baseball and

had one immediate target in his

sights: Stan Musial's National

League record of 3,630 hits. On

June 10, in his first time at bat

against the Reds, he singled off

Ryan and tied Musial, who was

watching from a box seat.

But life is not that simple. Ryan

struck him out the next three

times the Phillips did not play the

next day. The baseball strike began

the day after that. "I'll get another

hit sometime," said Rose as he headed

home to Cincinnati to sweat out the

strike."

"I'm very fortunate," Rose said

in a philosophical moment. "Every

place I've been, or will be, is be-

cause of baseball. Everybody I've

met, or will meet, is because of

baseball. Everything I've done, or

will do, is because of baseball."

The mood passed. The familiar

obsession — achievement — was

back. "I'm hitting .330, strike or

no strike," Rose said. "They can't

take that away from me. Maybe I'll

Observer

The Ages of Person

By Russell Baker

NEW YORK — Difficult questions about age fill the mail this week. Mr. C.S. of Chester, Pa., for example, writes that since the 1930s the U.S. Supreme Court has often been referred to as "nine old men" and he asks:

"If Sandra O'Connor's appointment is confirmed, will it be correct thereafter to refer to the court as eight old men and an old woman?"

No. Mr. C.S., "eight old men and an old woman" will not do. In the first place, since Mrs. O'Connor is only

Baker

51 the phrase would strike most people over 29 as overboarded with youth bias. To people in their 20s a female justice of 51 may be an old woman, but people old enough to remember Chief Justice Charles Evans Hughes might think of a woman of 51 as a spring chicken.

Do we want to refer to the Supreme Court as "eight old men and a spring chicken"? Of course not. Even in the United States, vulgarity must have its limits. How about "eight old men and a lady"? Out of the question — feminists have declared "lady" a taboo word. They prefer the word "person," which would give us "eight old men and a person."

* * *

Age questions also trouble several correspondents who have read about a bill in the Senate that would require life to begin at the moment of conception. Mrs. S.L. of Panama City, Fla., writes: "Every year I have to put up with 24 hours of sulking from my husband because I've forgotten his silly birthday. Does the life-begins-at-conception bill make this birthday nonsense obsolete, and if so, why doesn't the Senate hurry up and pass it?"

Alas, Mrs. S.L., there is no relief

in sight. The greeting-card, candy and flower industries have no intention of being voted into bankruptcy by a Senate bill eliminating birthdays.

It is far more likely that your husband will henceforth insist that you remember not only his birthday, but also his conception day. Greeting-card manufacturers are already preparing an extensive new line of cards for this.

* * *

Mr. M.L. of Washington, D.C., is also concerned about how the life-begins-at-conception bill will affect age and whether a huge, expensive bureaucracy will have to be established to deal with the problem.

"Next month," he writes, "I will reach my 65th birthday and be eligible for retirement. I assume that enactment of the Senate bill will automatically make me nine months older, since by act of Congress my life will then have begun nine months earlier than previous calculations permitted."

In brief, Mr. M.L. wants to know if he will be entitled to retrospective retirement for the months worked at the time he thought he was only 64 but was subsequently found by law to have been 63.

The answer seems obvious. If Congress is going to add nine months to a man's life, it has an obligation under the principles of equity to reimburse him for whatever losses he suffers. Mr. M.L. anticipates correctly that the Congress will want to do this, particularly if it is an election year. He rightly notes a problem, however.

"How are old codgers like me going to produce a satisfactory conception certificate to prove that we were conceived nine months before delivery, rather than eight or seven or six months before?"

The answer is clear. The government will have to establish a bureau to investigate conception claims. Naturally, the testimony would have to be checked against old hospital records and midwives' testimony and any conflicting data tested before review boards at which all parties would require lawyers. The process might be the greatest boon to the legal and bureaucratic professions since the income-tax code was last amended.

Eventually, of course, the whole mess would wind up being decided by eight old persons and a person.

New York Times Service

Journalism to lawyers and law to journalists at Columbia, as he has since 1968, and he has agreed to teach a seminar once a week at Bryn Mawr, which means commuting for almost five hours from the house in New York that he shares with his wife and whichever of their six grown children are home at any given time. The place is overflowing with memorabilia from his early radio days and from his television days with Murrow.

His fourth book, "Minnesota Rag," has just been published by Random House. It is about the 50-year-old U.S. Supreme Court case that overthrew a Minnesota law permitting prior censorship.

The case, Jay M. Near v. the State of Minnesota, was not one that most journalists (or constitutional lawyers) might want to pick as a First Amendment test.

The Minneapolis Saturday Press was a bigoted, vitriolic travesty of a newspaper edited by an un-

Fred Friendly's 'Minnesota' Bag

Book on Key Press-Freedom Case Is Only One Part of 'Flunking Retirement'

By Sandy Rovner

Washington Post Service

NEW YORK — The way Fred Friendly likes to put it is: "I'm flunking retirement."

At 65 (and a half) he has just retired as communications adviser to the Ford Foundation and added at least the word "emeritus" to his professorship at Columbia University's journalism and law schools.

"The trouble," said his wife, Ruth, "is that he's a man who can't say no."

"The trouble," said Friendly, "with just the right amount of rue, is ego."

Whatever the trouble, Friendly is as "indefatigable" as former colleagues put it, as ever.

Fred W. Friendly, born Ferdinand Wachenheimer, is the man who, with Edward R. Murrow, left a permanent imprint on television journalism with the seminal "See It Now" programs. Friendly was executive producer. He left television news in 1966, in protest, after his decision as president of CBS News to broadcast the U.S. Senate hearings on Vietnam live was overruled. (Viewers got "I Love Lucy" reruns instead.)

Although many lawyers and journalists can quote from the Charles Evans Hughes opinion in the case, not many are aware of some curiosities uncovered by Friendly in his research:

• The paper's assailing of "Jew gangsters" and "Jew-pigs" certainly could be regarded as out of line. But in fact, Friendly found, the gangsters in Minneapolis in the 1920s were mostly Jewish. The politicians, even those who helped form Minnesota's Farmer-Labor Party, now seen as the prototype of ethics, and major law enforcement officials were largely crooked, or looked the other way when crimes were committed.

• One of Near's staunchest supporters was Sam Shapiro, the Jewish owner of a small dry-cleaning establishment. Shapiro's son, Irving, watched his father being beaten up by a mobster for refusing to pay protection to the Jewish mafia. Near's paper championed Shapiro's cause.

Irving Shapiro grew up to be chairman of the board and chief executive officer of E.I. du Pont



Fred Friendly, The Washington Post

that you can escape only by thinking.

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera crews and technical staff and in general oiling up the skids. Where else could you find groups working 90 to 100 hours a week, all swept up in his giant enthusiasm?

Competitive, Demanding

Friendly was also fiercely competitive and demanding, friends recall. They claim that he was the original subject of the line, "He'll never get ulcers. He's a carrier."

Williams remembers Friendly the perfectionist, insisting on sending sound equipment to K-102 because "when the gun went off he wanted to hear that gun, not some Navy canon dragged in by the sound-effects engine."

After he left CBS, Friendly's views on the obligations of television journalism were widely quoted, and not all of his former colleagues were particularly pleased. But one friend, CBS' Burton R. Benjamin, says now, "I think he's left a pretty good legacy."

Ruth Friendly teaches fifth grade in a Scarsdale elementary school. Every year she has her pupils rewrite "Little Red Riding Hood" as if the wolf were telling the story. She also brings her husband in periodically as a guest speaker. That permitted him to come up with this:

"A good journalist," Friendly tells the fifth-graders, "has a lot of shoe leather, a conscience, and the ability to see the world from the wolf's point of view."

PEOPLE: Venezuela Student Wins Miss Universe Contest

Miss Venezuela, Irene Saez Conde, 19, an engineering student from Caracas, won the 30th annual Miss Universe beauty pageant in New York, defeating 75 other contestants to receive cash and prizes worth \$100,000, including a fur coat, a sports car, a diamond and gold pendant and five years' worth of makeup. Four other finalists will also receive prizes, including first runner-up Dominique DuFour of Toronto and second runner-up Eva-Lena Lundgren of Pitea, Sweden. The third runner-up was Adriana de Oliveira, a model from Porto Alegre, Brazil, and the fourth finalist was Dominique Dan Eeckhout, of Brussels.



Crowned: Irene Saez Conde

Cawley, 30, and Roger Cawley, 32, have exchanged wedding vows for the third time — at a private home in Las Vegas, Nev. The Cawleys were married in her native Australia in 1975 and again a few months later in his native England. This time the best man and maid of honor were Glen Campbell and Tanya Tucker, whose own on-again, off-again engagement seems to be on again for the moment. The Cawleys, now U.S. citizens, have a daughter, 4, and a son, 6 weeks.

Jimmy Carter's formal six-month transition period, taking him from U.S. president to private citizen, is over. The switchboard set up for the former president in his hometown of Plains, Ga., has been disconnected by the federal government. The Ministry of Defense said the ship would be "on hand but out of sight." For the first two nights of the honeymoon, Carter and Lady Diana Spencer will be at Broadlands, the home of the late Lord Mountbatten of Burma, where Queen Elizabeth and Prince Philip started their honeymoon in 1947. The newlyweds will then fly to Gibraltar to board the Britannia — which, at 5,769 tons, is really too big to be called a yacht; it was built to double as a hospital ship in wartime and carries a crew of 277.

Buddy Rogers, the husband of American actress Mary Pickford for 44 years, until her death two years ago, plans to marry Beverly Ricone, a Los Angeles real estate agent, today. Friends said the wedding will be at the home of a relative of Ricone in Tacoma, Wash. Rogers, 75, and Ricone, 50, have known each other for several years, the friends said. Tennis star Evonne Goolagong

and Rosalyn.

* * *

Prince Charles of Britain and his bride will spend two weeks of their honeymoon cruising in the Mediterranean aboard the royal yacht Britannia — with an escort of Royal Navy ships just over the horizon. The Ministry of Defense said the ship would be "on hand but out of sight."

Williams still tends to speak in the abbreviated epigrams of his TV journalist colleagues, and be sprinkles quotes throughout conversations.

Hemingway: "Every good reporter has an automatic, fool-proof s— detector."

Murrow: "Journalists aren't thin-skinned. They have no skin at all."

Friendly: "Teaching is making the agony of decision so difficult

that you can escape only by thinking."

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera crews and technical staff and in general oiling up the skids. Where else could you find groups working 90 to 100 hours a week, all swept up in his giant enthusiasm?

Friendly: "Teaching is making the agony of decision so difficult

that you can escape only by thinking."

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera crews and technical staff and in general oiling up the skids. Where else could you find groups working 90 to 100 hours a week, all swept up in his giant enthusiasm?

Friendly: "Teaching is making the agony of decision so difficult

that you can escape only by thinking."

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera crews and technical staff and in general oiling up the skids. Where else could you find groups working 90 to 100 hours a week, all swept up in his giant enthusiasm?

Friendly: "Teaching is making the agony of decision so difficult

that you can escape only by thinking."

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera crews and technical staff and in general oiling up the skids. Where else could you find groups working 90 to 100 hours a week, all swept up in his giant enthusiasm?

Friendly: "Teaching is making the agony of decision so difficult

that you can escape only by thinking."

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera crews and technical staff and in general oiling up the skids. Where else could you find groups working 90 to 100 hours a week, all swept up in his giant enthusiasm?

Friendly: "Teaching is making the agony of decision so difficult

that you can escape only by thinking."

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera crews and technical staff and in general oiling up the skids. Where else could you find groups working 90 to 100 hours a week, all swept up in his giant enthusiasm?

Friendly: "Teaching is making the agony of decision so difficult

that you can escape only by thinking."

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera crews and technical staff and in general oiling up the skids. Where else could you find groups working 90 to 100 hours a week, all swept up in his giant enthusiasm?

Friendly: "Teaching is making the agony of decision so difficult

that you can escape only by thinking."

Friendly: "Television and newspapers set the national agenda. That's much more important than what we say. It's the fact that we tell everybody what's important."

Palmer Williams was Friendly's No. 2 man when they joined Murrow in "See It Now." Now the senior producer of CBS' popular "60 Minutes" Williams was tracked down at the Province town (Mass.) Tennis Club.

"Oh my lord," he sighed. "Fred, I could talk for hours."

Williams recalled that Friendly not only insisted on quality, but was an absolute genius at praising camera